THE FINANCIAL POST

OF CANADA

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THE SECURITY REVIEW

BANK OF ENGLAND RATE AT FIVE PER CENT.

Money Easier at All Centres—A Local Decline on Friday—The Technical Situation Not Good—The Montreal Street Railway's New Issues—The Market Misunderstood Them—A Reduction in Fixed Charge—Soo's Traffic is Light—Notes on Leading Securities.

MONTREAL.—The position here is certainly peculiar, because during two or three days of this week there was an aggregate turnover greatly in excess of some of the boom days in the past, when money was in plenty for all reasonable demands; and yet, it is to be remembered that this activity has been in force during a time when the banks have practically given no support to the market whatever.

While the brokers say that they can get a "little" money, it is quite evident that they are not getting it from the banks, directly, at least. There has been a fair amount of private money loaned since the beginning of the year, and one or two public corporations, other than banks, have been helping the situation. Your correspondent knows of one case where from $30,000 to $50,000 was borrowed at 6 per cent., although this was, no doubt, an exception, as a higher rate than that prevails for brokers' loans.

Bankers here will not admit that there will be shortly an abundance of money, the consensus of opinion being that there is not likely to be any change for at least three months; but brokers are more hopeful and point to the growing supplies in Great Britain and France, and even in the United States. They contend that if money is cheap abroad rates cannot reasonably be high here, as that would bring an instant flow of funds, especially for market purposes, to the more profitable centre. Canada is not now easily put aside as being of no consideration in the international money field, and it is felt by quite a number of the prominent brokers that monetary values will perforce follow those of the larger financial centres, to, at least, a very considerable extent. This indicates the two sides of the question here, and only the course of time will decide upon the merits of the contentions.

The Montreal Street Railway directors sprung a surprise on the market in announcing a new stock issue of one million dollars, on Tuesday of this week. There was a sudden collapse in the market price of the stock, of about twelve points, and a large lot came out on the decline, This, however, was attributed to "hammering" tactics by interests not exactly friendly to the stock and was not by any means due to selling by the large number of investors in this city. As the new issue will be put on the market at a premium of 25 per cent., in the proportion of one new share for nine old, there will be a fairly handsome return on the present holdings. Of course, the lower the stock is hammered, the less valuable will be the "rights" when they are offered for sale, and that may be one cause for the present bear campaign, inaugurated with a view to making the bonus as small as possible so as to discredit the management in the eyes of the shareholders, who, it must be admitted, are still smarting under last year's two million dollar allotment, which was made at a premium of 75 pet cent.

The slump in the stock came as a thunder bolt to the executive, who anticipated a favorable acceptance of the new issue, at the low premium, but they reckoned without their host—the bear raider. It might be mentioned that the bear side of the market has become a pronounced factor in Montreal during the last three or four months, and although their operations have been necessarily on a small scale, they have had various successes, especially in Montreal Street and Montreal Power.

There has been some attempt to discredit these bear operators, and perhaps the censure was deserving when a few weeks ago the bears used the New York financial crisis to produce a similar local effect. The result was not serious, but it might have been. In an ordinary market, when conditions are more or less normal, it is granted that a small short interest gives zest to trading and is not at all to be deprecated, but rather, encouraged.

There is little change in the Detroit United situation, so far as the Montreal stockholders are concerned. A committee of five has been at last formed and the personnel seems to have satisfied most parties, although it is not clear just what demands these gentlemen are to make on the Detroit United board, or who the Detroit men will be who will better represent Canadian interests. The two Canadian proxy holders, Messrs. Wilson and Ferguson, who left a few days ago for Detroit, are expected in Montreal before the end of this week and no doubt they will have formed some definite policy to present to their fellow committee men.

The only thing that is clear so far, is that the Canadians will vote for an early bond issue, covering the amount for immediate requirements, thereby releasing the earnings for dividend payments. It is not clear how they can finance a new bond issue just now, neither is it likely that if such financing could be successfully accomplished that the present board of directors would neglect the opportunity. They are interested just as much as the Canadian shareholders in renewing dividends at the earliest possible date. Therefore, what the Canadian representatives can do when they carry a ruling vote at next month's annual meeting, is a question that might require some difficulty in answering.

Toronto.—After the continued advance in security prices since the new year it was natural there should be some reaction, and this, of course, was furnished on Thursday. It is not unilke the stock market to act counter to most cheering news. On Thursday the Bank of England reduced its discount rate from six to five per cent., and the security lists generally weakened. Yet this is from the viewpoint of the United States and Canada most important tidings. It means, as regards Canada, that our banks will be enabled to secure in the near future funds in Great Britain which they can lend at a profit in Canada. Hitherto this opportunity has been denied to them. It means that the speedy return to normal monetary conditions in the United States will be hastened. Last Saturday for the first time since the Knickerbocker Trust Company's failure on October 22nd, a surplus was shown by the New York banks over the 25 per cent. ratio of cash reserves to deposits required by law. It is believed that this surplus will be very largely increased to-day. In New York full cash payment to depositors has been resumed; the currency premium practically disappeared a fortnight ago; drafts on New York are being met in cash; at the large industrial centres banks are calling in for redemption wage checks, issued during the currency famine.

At the same time the trade re-action is in full swing. The situation is well reflected in the general shrinkage in railroad traffic. In the last two months of 1907, the commercial prostration was so severe in the United States that the inherent tendency of that over-bubbling nation to extremes has again been demonstrated. In Canada the re-action was not so great, and for that reason it has proceeded more leisurely and might be longer in returning us to a normal phase were it not that railroad construction and incoming immigration will be of such volume as to make themselves much more felt in our smaller community.

The traffic movement to our great Northwest during the past month has dwindled to very small proportions. There are now no weekly train loads of pianos, for example, going to the Western prairies. The cessation in supplies from the East has been of an extreme character. The West, however, is righting itself, and it cannot continue much longer in a condition of aloofness from the base of supplies. The mild and favorable winter has caused a reduction in the demand for many seasonable commodities. But in spite of any previous overstocking, the necessities are such that the lifting of the embargo must speedily occur. The West is taken as an emphatic typical illustration, but the same process has occurred in the older provinces. It was carried to a certain degree of extreme. There is no genuine reason in Canada for any continued prostration of industrial activity. The bank clearings will show that outside of Toronto and Montreal in the second week of the new year there has been no serious defect from the great activity that was in progress in January 1907.

The stock markets have discounted so much in the way of commercial depression that the buoyancy in prices is not unnatural in view of the probable developments in the commodity and monetary markets. Industrial repression means reduction in wages and commodity prices, and the accumulation of funds that cannot find investment in ordinary business. As the price of capital declines the price of bonds appreciates, and is quickly followed by an appreciation in stocks.

On Friday in the local stock market there was considerable liquidation in many securities and the feeling was far from optimistic. Sao Paulo and Rio stocks were under pressure, and Mackay common was also weak. Sao Paulo sold down from 116¼ in the morning to 113 in the afternoon. Rio from 32½ to 29½, rallying slightly.

The New York market, on the other hand, was strong, with Northern Pacific closing at 128⅞, or over five points above the low price of the week; Reading, at 109½, a gain of nearly four; C. P.R. was steady around 150.

Canadian Northern.

Canadian Northern earnings begin to reflect the better conditions this year. The increase for the second week in January was 56,600, or a fraction under 70 per cent. The gross earnings were $137,900, as against $81,300 last year, the gross increase from July 1st to date being $1,482,500. For the first week of the new year the increase was $34,100. These earnings show the largest increase of any road on the continent in these times of dwindling traffics.

Canadian Pacific Railway.

It is said that a considerable short interest has developed in Wall Street. In view of what has happened to the "short interest" in C.P.R. in the past, this news is usually welcomed by those who are on the long side of the stock. The rights have been holding firm at 9 during the fluctuations of the shares between 150 and 152. The gross earnings for the first week in January showed the small increase of $18,000, but in view of reports from U. S. railways, this is a bullish feature. As against a net decrease of $750,000 in January, 1906, under 1905, we have a great cessation in westbound traffic. The earnings for the past week and the coming one will be watched with especial interest by the discerning observer. The directors have apparently no fears as to the future. At a time when the sidings of American railroads are crowded with empty cars, the company has placed an order for 400 composite steel and wood freight and ballast cars. The forward policy of the company is without parallel in the present day situation.

Dominion Steel Company.

The fluctuations in the shares during the week and the unfounded scare on Monday look as if manipulation was in process. Mr. J. H. Plummer is quoted as authority for the statement that the Steel Company is now owed by the Coal Company approximately $2,400,000, being made up of $600,000 damages in the autumn of 1906, owing to the forced shut-down of the Steel Company, and $1,800,000, the difference between the contract price and the cost price of coal. The latter damages are practically fixed. The first item is subject to more discrimination. On April 1st next there will be due on the preferred stock 35 per cent. in accumulated dividends, or $1,750,000.

Dominion Coal Company.

If the decision of the Supreme Court of Nova Scotia, unanimously upholding the contention of the Steel Company, is confirmed in the highest court, the company will be called upon to meet a very considerable bill. If the litigation is not brought to a speedy end the figures will become alarming. The Coal Company is, however, receiving the difference in price between the $1.28 contract price and the advanced price, and should now be very strong in cash, as it has received from December to August 31st, 1907, $829,247 in extra cash from the Steel Company alone. It is quite likely that the power which commands the Coal Company is spending large sums in the improvement and development of the property.

Montreal Street Railway.

The company announces the sale of $2,300,000 4½ per cent. bonds at 92⅞ in London, and proposes to issue $1,000,000 new stock at 125. If the two announcements had been separated it would have been better for the market price of the shares, or if a better explanation had been published of the purposes of the bond sale, the news would have received a better welcome. As it is, comments have been at fault on the actual results, and the Wall Street Journal asserts that the new issue of bonds will add $90,000 annually to the obligations. As a matter of fact, the Street Railway has done a good stroke of business in funding its floating debt. It has had outstanding in round figures the following fugitive amounts:

	Principal.	Interest.
5 per cent. bonds..	$ 292,000	$ 14,600
Bank of Montreal .	500,000	30,000
Short term notes..	1,010,030	60,000
	$1,802,030	$104,600

All of which will be retired by $2,300,000 par value of 4½ per cent. bonds, on which the interest will be $103,500, or less than the present annual charge. So far this is excellent financing. The sale of $2,300,000 bonds at 92⅞ is nearly 10 points below the recent market price in London, but for such a quantity it was a fairly good sale at the time. The proceeds will be $2,150,000, which will retire the obligations previously mentioned and leave a balance of $350,000. Fixed charges are not increased by the new issue of the bonds. If Montreal Street Railway net earnings continue on the same ratio as in October and November, we have $176,000 over and above all charges lor the two months or $1,050,000 for the year. On the present capital of $9,000,000, a comfortable margin is required over the dividend requirements. In spite of any prophecies to the contrary, Montreal Street has always responded with an increase in earnings, to its capital expenditures and even on the basis of the present earnings it can pay the full dividend of ten per cent. on the increased common capital. Before, however, the new $1,000,000 issue of common stock demands a dividend, it should have become productive. The company has apparently determined by an herculean stroke to rid itself of its floating debt and to put itself in good shape for all future contingencies. While a new issue must necessarily affect the technical position of the shares in a restricted market, The Post believes that if an analysis of the situation had been made, the stock would not have experienced the semi-hysterical flurry on Tuesday, when it dropped 13 points.

The meeting of shareholders to ratify the new issues of bonds and stock will be held on January 29.

The new stock will, it is presumed, be utilized in building the new line to the lake shore and other extensions, which will add materially to the earnings.

Shawinigan Water & Power Co.

A stock that has come very much to the front on the Montreal market is Shawinigan Water & Power common, which sells around 60 to-day. It is a four per cent. dividend-payer and has a bright future. London has been absorbing a large volume of this stock and although unfriendly interests call attention to the amount of "water" in the capital, the success of the common as an investment issue, pure and simple, is now beyond peradventure. It is not, strictly speaking, a speculative stock, nor is it likely to come within that category. The earnings for 1907 will be out in a few days and are, it is understood, very satisfactory to the management.

The Steel Company's Victory

ITS POSITION STRENGTHENED AT EVERY POINT.

By the Supreme Court of Nova Scotia—A Practically Unanimous Judgment—The Judgments Differ Only in Measure of Expression—The Point at Issue Summed Up—No Broad Principle Involved—Merely an Interpretation of a Contract.

The Supreme Court of Nova Scotia has decided with judgments, while varied, in terms are absolutely unanimous, in effect, in favor of the Dominion Iron and Steel Company in its litigation with the Dominion Coal Company. The appeal of the Coal Company from the judgment of the trial court, Hon. Mr. Justice Longley, has been dismissed with costs. This marks the second stage in the most important law suit as regards amount that has ever affected two joint stock companies in Canada. It is now open to the Coal Company to appeal to the Supreme Court of Canada at Ottawa, and thence to the Judicial Committee of the Privy Council, or from the Nova Scotia court direct to the Privy Council. The procedure is entirely within the discretion of the Coal Company. If the Coal interests desire the speediest determination of the litigation, the appeal to the Privy Council can be heard next summer. If the case is carried to the Supreme Court of Canada it will involve delay, and this delay can be extended probably to a year's duration.

It was believed at one time that the Coal Company would go direct to the Privy Council. That action probably depends upon the decision of Mr. James Ross, the president. There are a number of reasons perhaps from the Coal Company's viewpoint why the day of final judgment should be postponed. In going to the Supreme Court of Canada, in the event of another wholly adverse decision, the Coal Company runs the risk of leave to appeal not being granted by the Privy Council. The mere interpretation of a written contract does not involve any great principle of law. It is probably that the method of enforcing the remedies and the doctrine of specific performance would be matters which would appear to the law lords as more worthy of their attention.

While it would be improper or idle to predict definitely the final result in the courts, the highest tribunal in the province of jurisdiction has not merely confirmed the position of the Steel Company, but has strengthened its contention at every possible point of issue. Indeed, there is the opinion of one judge, Mr. Justice Meagher, on record that any competent counsel would have advised that the Steel-Coal contract. on its face, expressed that the coal must be suitable.

The most important feature of the judgment is that it goes farther than the trial judge in upholding the claim of the Dominion Steel Company. In the Chief Justice's view, the trial judge, Hon. Mr. Justice Longley, believed that the Steel Company's rights were by implication, whereas the Supreme Court holds that its claim is fully expressed by the contract and that the contract fully and completely provided that the Coal Company should furnish the Steel Company with coal suitable for the making of steel.

The point at issue is thus concisely expressed by the Chief Justice:

"On the one hand the plaintiff company contends that under its terms it is entitled to be supplied with coal for making steel and everything involved in the process of making steel, coal for coke ovens, gas producers and steam raising; contract for coal in a steel plant, which required about 5 per cent. for steam coal and 95 per cent. for other purposes.

"On the other hand the defendant company contend that what was agreed to be supplied was the ordinary product of the company's mines plus the right of the Steel Company to designate in advance one of the seams which the Coal Company happened to be working at the time, rather than another as the source of supply. Coal of a quality specified in clause 3, that is to say, "all coal furnished shall be freshly mined and of the grade known as run of mine, reasonably free from stone and shale, and shall be supplied from such seam then being worked by the Coal Company as the Steel Company designate.' That this contract is not to supply metallurgic coal and that there are no words in the contract that will justify such an interpretation.

"This, generally speaking, presents the chief contention between the two companies."

Chief Justice Townshend pays a tribute to Hon. Justice Longley's correct and full statement of the facts leading up to the formation of the contract. He disposes very emphatically of any contention in regard to the founder of the National Trust Company as throwing any cloud on the litigation, and holds that it was properly joined.

Hon. Mr. Justice Russell's judgment, in which the court also concurs, deals more fully with the remedy of the Steel Company. He concludes that while the suggestion of specific performance had the air of novelty, the court is abundantly warranted in granting such relief in addition to the assessment of by referee of damages.

Hon. Justice Meagher, in addition to the concurrent opinion already referred to, said he was not free from doubt as to the method of ascertaining damages.

Hon. Mr. Justice Lawrence, in a short judgment, did not concur entirely in the belief that the trial judgment was wrong in founding his decision on implication.

The net result is that the appellate judgments have greatly strengthened the Steel Company's case at every possible point.

Much space might be devoted to a further discussion of the situation, but as regards the court of last resort it may be said that the question resolves itself into an interpretation of the contract. There is no large constitutional question of any kind involved. No basic principle of jurisprudence is under discussion. The facts, as found by the trial judge, are no longer open to question.

It is unlikely that the method of affording a remedy will be interfered with. The Steel Company possesses a remedy divided into three sections.:

1. Damages representing the difference between the contract price of $1.24 per ton, and the price actually paid. These are now estimated at $1,800,000.
2. Damages for injury to the business of the Steel Company while it could not obtain coal elsewhere, nor from the Coal Company. These are claimed by the Steel Company at $1,800,000.
3. Specific performance of the contract for the future.

THE CENTRAL CANADA.

A Satisfactory Year—The Reserve Fund Nearly Three-fourths.

The Central Canada Loan & Savings Company, which has a special interest because it was one of the first creations of a productive financial genius, Hon. George A. Cox, makes a very satisfactory exhibit of the year 1907. The net profits were $153,079, out of which the usual dividend of 8 per cent. was paid the material sum of $50,000, was transferred to the reserve fund, which is now 73 1-3 per cent. of its capital, a condition equalled by only one other company in this province. The balance sheet is as follows:

ASSETS.

Loans, secured by first mortgages on real estate	$1,138,611
Loans, secured by bonds, stocks and debentures	2,138,100
	$3,276,711
Bonds and stocks owned	4,166,217
Real estate, including company's building	228,309
Cash	234,610
Total	$7,905,847

LIABILITIES.

Deposits	$ 878,422
Debentures, currency	2,002,175
Debentures, sterling	2,374,401
	$5,254,998
Capital, (subscribed $2,500,000) upon which has been paid	1,500,000
Reserve fund, 31st December, 1906	1,050,000
Transfer from profits of year	50,000
Profit and loss	20,849
Dividend, due Jan. 1, 1908 ...	30,000
	2,650,849
The total liabilities are	$7,905,847

UNITED EMPIRE BANK.

A Good Meeting of Satisfied Shareholders—A Dividend in Prospect.

The United Empire Bank, which began business in August, 1906, has been pursuing quietly amid all the financial stress the even tenor of its way and in view of the many difficult conditions existing it has probably profitted by its conservatism. On Wednesday forty shareholders attended the annual meeting at the head office and expressed themselves as well satisfied with the progress made by the institution. In last week's review of the banks, the linotype added a cipher to the preliminary expenses, which it was intended to express as being at the very low figure of $8,300. These, during the year, have been paid off out of the profit and loss and a small balance carried forward. The bank has opened six new branches in the twelve months, as follows: Hamilton (2), Galt, Cobourg, Islington and Sterling, and has now eleven branches. These are now well established and productive of results, so that the president, Mr. S. Barker, M. P., in his address, was able to state that the bank at no distant date would be in a position to pay a dividend. He assured the shareholders, however, that it would not be paid until fully earned. The deposits had increased during the year by 39½ per cent. A considerable increase in profits would have been shown had it not been for the bank's inability, owing to the high price of capital in Great Britain, to employ profitably in Canada funds offered to them in London, but now that the financial atmosphere was clearing the general manager, Mr. G. P. Reid, states that both deposits and stock subscriptions from England would materially advance the bank's earning power. The following directors were re-elected: Samuel Barker, M.P., president; Mark Bredin, M. McLaughlin, George A. Clare, M.P.; Bennett Rosamond, E. E. A. DuVernet, W. J. Smith, Rev. T. C. Street Macklem.

Directors in England: T. Willes Clutty, Lt.-Col. F. T. C. DuVernet, S. Stanley Marling.

BANK CLEARINGS.

Clearings for the week are of a mixed character. Outside of the two financial centres most places show material gains or very slight losses. It looks as if business conditions were proceeding with fair activity in the West.

SOVEREIGN BANK MERGED

ALLIED BANKS TAKE OVER THE BUSINESS.

Depositors and Public Fully Protected—Each Branch Opens This Morning as the Office of a Well-established Bank—The Banks Which Take Over the Business—A Financial Coup d'Etat.

Once more the excellent merits of the Canadian Banking System and its automatic ability to meet and relieve all untoward situations has been demonstrated. The Sovereign Bank on Friday evening, January 17th, as The Post goes to press, is now passing into the hands of other institutions, as far as the public and the bank's obligations are concerned. This Saturday morning each branch of the Sovereign Bank will open its doors as the branch of one of our strong and well-established institutions.

In other words, the Sovereign Bank goes into voluntary liquidation, with all its public liabilities fully protected by other institutions.

At the time of writing, the banks which have joined in the merger of the Sovereign are the Bank of Montreal, the Bank of Commerce, the Bank of Nova Scotia, the Dominion Bank, the Imperial Bank, the Royal Bank, the Molsons Bank, the Bank of Ottawa, the Standard Bank and the Bank of Hamilton.

Other banks may be added to this list as the allied bankers move quickly in cases where the public interest is concerned. Every customer of the Sovereign Bank this morning can be quite happy in the confidence that his account and his deposits are in the hands of one of Canada's well-established and well-tried institutions.

As regards the shareholders, their assets will be realized on as expeditiously as possible, and there is every confidence on the part of the president and the directors and management that a not unsatisfactory result will follow.

Last spring it was realized by some of the largest shareholders that the Sovereign Bank had been progressing too rapidly, and had lost by over-extensions. On May 1st, Mr. Aemilius Jarvis became president, and Mr. F. G. Jemmett, a few days later was appointed general manager. In a most expeditious manner a full inspection of the bank's affairs was made, and at the annual meeting on June 1st the executive reported that as a result of losses previously sustained it would be necessary to wipe out the reserve fund of $1,255,950, and to reduce the capital from $4,000,000 to $3,000,000.

With these appropriations it was thought by the new executive that the bank could continue the profitable business it had secured at very many branches, and that a dividend of six per cent. could be maintained. Their large appropriations from capital and rest were thought sufficient to provide for all losses. The bank has since that time been most ably administered, but the conditions of the time, the general withdrawal of deposits, and the maturing of previously contracted obligations added to a considerable quantity of good, but not immediately available securities weakened its financial condition so greatly that when the president, Mr. Aemilius Jarvis, returned a few weeks ago from England, after a short business trip, he realized that it was impossible to continue the Sovereign Bank on a profitable basis. Rather than attempt to carry on the institution by makeshift methods, he requested an inspection of its affairs, and officers of the Banks of Montreal, Commerce and Nova Scotia have been inspecting the bank's condition for the past five days, with the result that yesterday they were able to report and the various banks most interested in the territory were able to co-operate, with a fairly reasonable knowledge of affairs.

Less determined bank officers might have tried to prolong the situation, but just as in May last, Mr. Jarvis and Mr. Jemmett have looked the situation boldly in the face. Any disturbance has been avoided by the combined action of the banks. It is a brilliant coup d'etat in its execution.

Thus it is fortunate for the Sovereign shareholders that their interests were in the hands of men of integrity, determination and financial ability, and it is also fortunate for the depositors that the allied banks have joined in absolutely safeguarding their money. The comparative figures of the bank on November 30th were:

	1907.	1906.
Capital	$3,000,000	$3,955,480
Dividend	6 per cent.	6 per cent.
Circulation	2,184,880	2,569,295
Deposits	11,129,382	16,997,308
Cash reserves ...	1,668,792	3,132,454
Com. loans	12,649,599	16,756,299
Total assets	19,678,064	26,880,389

	Week Jan. 16, 1908.	Week Jan. 17, 1907.
Montreal ...	$27,830,352	$30,127,031
Toronto ...	20,926,493	25,788,159
Winnipeg ..	10,247,614	9,471,016
Halifax	1,840,014	1,864,999
Hamilton ..	1,536,954	1,519,614
St. John ...	1,206,136	1,323,695
Vancouver .	3,154,008	2,745,235
Victoria ...	1,200,011	876,557
Quebec	1,994,456	1,826,313
Ottawa	3,096,480	3,215,945
London	1,211,163	1,188,176
Calgary	1,022,899	1,209,737
Edmonton .	598,540	767,708
Total ..	$75,875,120	$81,924,185

BANK OF MONTREAL

(ESTABLISHED 1817)

Incorporated By Act of Parliament

Capital (all paid up), $14,400,000.00. Rest, $11,000,000.00. Undivided Profits, $422,689.98

HEAD OFFICE—MONTREAL

BOARD OF DIRECTORS

Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., Honorary President; Hon. Sir George A. Drummond, K.C.M.G., President; E. S. Clouston, Esq., Vice-President; A. T. Paterson, Esq., R. B. Angus, Esq., E. B. Greenshields, Esq., James Ross, Esq., Hon. Robt. Mackay, Sir William C. Macdonald, R. G. Reid, Esq.

E. S. Clouston, General Manager. A. Macnider, Chief Inspector, and Superintendent of Branches.
H. V. Meredith, Assistant General Manager, and Manager at Montreal.

C. Sweeny, {Superintendent of Branches, British Columbia. W. E. Stavert, {Superintendent of Branches, Maritime Provinces.
F. J. Hunter, Inspector N. West and Br. Col. Branches. E. P. Winslow, Inspector Ontario Branches.
D. R. Clark, Inspector Maritime Provinces and Newfoundland Branches.

BRANCHES IN CANADA

Province of Ontario.—Alliston; Almonte; Aurora; Belleville; Bowmanville; Brantford; Brockville; Chatham; Collingwood; Cornwall; Deseronto; Eglinton; Fenelon Falls; Fort William; Goderich; Guelph; Hamilton; Hamilton, Sherman Ave.; Holstein; King City; Kingston; Lindsay; London; Millbrook; Mount Forest; Newmarket; Ottawa; Ottawa, Bank Street; Ottawa, Hull, P. Q.; Paris; Perth; Peterboro; Picton; Port Arthur; Port Hope; Queensville; Sarnia; Stratford; St. Marys; Sudbury; Toronto—Front Street, Yonge Street, Wellington Street, Queen Street, Richmond Street, Carlton Street; Trenton; Tweed; Wallaceburg; Warsaw; Waterford.

Province of Quebec—Buckingham; Cookshire; Danville; Fraserville: Grand Mere; Lake Megantic; Levis; Montreal—Head Office, Hochelaga, Papineau Avenue, Point St. Charles, Seigneurs Street, Ste. Anne de Bellevue, St. Henri, West End, Westmount; Quebec; Quebec, Upper Town, St. Roch's; Sawyerville.

Province of New Brunswick—Andover; Bathurst; Chatham; Edmunston; Fredericton; Grand Falls; Hartland; Moncton; Shediac; St. John; Woodstock.

Province of Nova Scotia—Amherst; Bridgewater; Canso; Glace Bay; Halifax; Halifax, North End; Lunenburg; Mahone Bay; Port Hood; Sydney; Wolfville; Yarmouth.

Northwest Provinces—Altona, Man.; Brandon, Man.; Calgary, Alta.; Edmonton, Alta.; Indian Head, Sask.; Lethbridge, Alta.; Oakville, Man.; Portage la Prairie, Man.; Raymond, Alta.; Regina, Sask.; Rosenfeld, Man.; Saskatoon, Sask.; Winnipeg, Man.; Winnipeg, Fort Rouge; Winnipeg, Logan Avenue.

Province of British Columbia—Armstrong; Chilliwack; Enderby; Greenwood; Kelowna; Nelson; New Denver; New Westminster; Nicola; Rossland; Summerland; Vancouver; Vancouver, Westminster Ave.; Vernon; Victoria.

IN NEWFOUNDLAND: ST. JOHN'S, Bank of Montreal. BIRCHY COVE, Bay of Islands, Bank of Montreal.

IN GREAT BRITAIN: LONDON, Bank of Montreal, 46-47 Threadneedle Street, E.C. (F. W. Taylor, Manager.)

IN THE UNITED STATES: NEW YORK (R. Y. Hebden, W. A. Bog, J. T. Molineux, Agents), 31 Pine Street. CHICAGO, Bank of Montreal (J. M. Greata, Manager). SPOKANE, Wash., Bank of Montreal

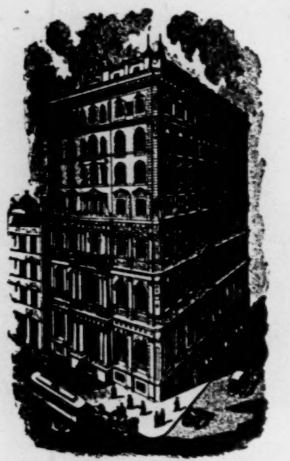
IN MEXICO: MEXICO, D.F. (T. S. C. Saunders, Manager.)

BANKERS IN GREAT BRITAIN

LONDON, The Bank of England.
" The Union of London and Smith's Bank, Ltd.
" The London and Westminster Bank, Ltd.
" The National Provincial Bank of Eng, Ltd.
LIVERPOOL, The Bank of Liverpool, Ltd.
SCOTLAND, The British Linen Company Bank, and Branches

BANKERS IN THE UNITED STATES

NEW YORK, The National City Bank.
" The Bank of New York, N.B.A.
" National Bank of Commerce of New York
BOSTON, The Merchants' National Bank.
BUFFALO, The Marine Natl. Bank, Buffalo
SAN FRANCISCO, The First National Bank.
" " The Anglo-Californian Bank, Ltd.



Head Office, Montreal

The MERCHANTS' BANK

OF CANADA

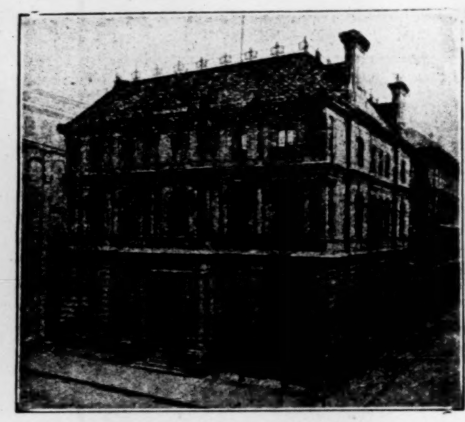
ESTABLISHED 1864

President—Sir H. Montagu Allan
Vice President—Jonathan Hodgson, Esq.
E. F. Hebden, General Manager
T. E. Merrett, Sup't. of Branches and Chief Insp.

Capital Paid-up	**$6,000,000**
Reserve Fund and Undivided Profits	**4,267,400**
Total Assets over	**52,000,000**
Total Deposits over	**36,000,000**

118 Branches and Agencies in Ontario Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia.

A General Banking Business Transacted.
Special attention given to collections
Savings Bank Department at all Branches.



HEAD OFFICE, MONTREAL.

THE MOLSONS BANK

Capital paid up, $3,372,370
Reserve Fund, - 3,372,370

JAMES ELLIOT - General Manager
A. D. DURNFORD - Chief Inspector

61 BRANCHES THROUGHOUT CANADA

THE METROPOLITAN BANK

Capital Paid up	**$1,000,000.00**
Reserve Fund and Undivided Profits	**$1,241,532.26**

DIRECTORS:

S. J. MOORE, PRESIDENT. D. E. THOMSON, K.C., VICE-PRESIDENT.
HIS HONOR SIR W. MORTIMER CLARK, K.C.
THOMAS BRADSHAW JOHN FIRSTBROOK JAMES RYRIE

Head Office: TORONTO
W. D. ROSS, GENERAL MANAGER.

GENERAL BANKING BUSINESS. SAVINGS DEPARTMENT AT ALL BRANCHES

BANQUE D'HOCHELAGA

Capital Authorized, $4,000,000
Capital paid up, $2,500,000 Reserve Fund, $2,000,000

DIRECTORS

F. X. ST. CHARLES, ESQ. - - President
ROBT. BICKERDIKE, ESQ., M.P. - - Vice-President
HON. J. D. ROLLAND, ESQ. J. A. VAILLANCOURT, ESQ.
A. TURCOTTE, ESQ. E. H. LEMAY, ESQ. J. M. WILSON, ESQ
J. A. PRENDERGAST, General Manager G. A. GIROUX, Manager

HEAD OFFICE - - - MONTREAL

CITY BRANCHES—Mount Royal Avenue (corner St. Denis), St. Catherine Street East, St. Catherine Street Centre, Notre Dame Street West, Hochelaga, Maisonneuve, Point St. Charles, St. Henry, Town of St. Louis, Viauville, Verdun.

BRANCHES:—Berthierville, P.Q., Edmonton, Alta., Joliette, P.Q., Laprairie, P.Q., Louiseville, P.Q., Quebec, P.Q., Quebec, St. Roch, Sorel, P.Q., Sherbrooke, P.Q., St. Boniface, Man., St. Hyacinthe, P.Q. St. Jacques L'Achigan, P.Q., St. Jerome, P.Q., St. Pierre, Man., Three Rivers, P.Q., Valleyfield, P.Q. Vankleek Hill, Ont., Winnipeg, Man.

Are Real Estate Values Inflated?

To solve such problems read the Post's real estate and mortgage column. It provides the facts. You can draw your own conclusions. The information it contains is worth many times the subscription price of $3.00 per year.

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Adelaide Street East,
Toronto

A NEW SIGN.

About town, in the hotels and retail liquor stores, a most attractive sign is now appearing. It is a square of blue velvet with in one corner the Prince of Wales' plumes in gold, with underneath the words,, "By Special Appointment, Purveyors to His Royal Highness, the Prince of Wales." In white letters on the blue velvet are the words "Drink Radnor Water."

The Prince of Wales' plumes signify that the Radnor Water Co. has been appointed by special warrant, purveyors to His Royal Highness.

It is most gratifying to find a Canadian product so appreciated abroad, entirely on account of its merits.

THE SITUATION REVIEWED

MR. B. E. WALKER'S COMPREHENSIVE SURVEY

Of the Past Year, Present Conditions and Future Outlook—The Warnings of a Year Ago Heeded—Canada Emerges From the Difficulties—The Excess of Imports—Mortgaging the Future—Wages and Commodity Prices Likely to Fall—Prospects for Steel and Iron in Canada—The Maritime Provinces and B.C. Prosperous—The Conditions in the Northwest.

The annual meeting of the Canadian Bank of Commerce is wont to place a Cretan mark in the pathway of business and finance in Canada on account of the comprehensive review given by Mr. B. E. Walker on the situation in this country and the reflective conditions abroad. As the head of an institution which is more widely extended than any other in Canada possessing nearly 200 branches covering the territory from coast to coast, possessing offices in the leading cities of the United States and an important branch in London, England, Mr. Walker is in an authoritative position to secure data for review and comment. From this fund of information the intellect of a student and the acumen of a man of large affairs produce each year a very valuable document.

As one writer in the daily press says, there is a real national value in the address. A great banker is a force in a nation's life. An utterance of this character enlarges the mind of the country with information and opinions that should help agriculture, commerce and industry to take heed of their ways.

THE GENERAL CONDITIONS.

Last Year's Warning Heeded—Serious Troubles Have Been Escaped.

At the end of a very eventful year in the financial world it cannot be truthfully said that any business man in Canada was without warning, even if he found himself quite unprepared for the new conditions he was called upon to face. Nor can it be truthfully said that the banks as a whole have failed to do as much for the borrowing public as the latter had a right to expect. Indeed, when we consider the rash and ignorant criticism of the banks heard in communities where the stringency in money has been most keenly felt, it seems almost as if it were useless to offer a signal of danger to the borrowing public so long as prosperity is in full force. A year ago this bank did its part in offering a warning which events have shown to be justified, but this warning was actually regarded as an evidence of total inability to understand the true business conditions in the West. Canada was doing more business than was justified by the money at our command at home or that could be secured abroad by the sale of the securities the country was creating, although it was not producing even sufficient merchandise to meet the demand or building to any degree in advance of immediate requirements. We were, however, importing far in excess of our exports, and, generally, we were mortgaging our future, not, as a rule, in the case of each individual, municipality, industrial company or railway, beyond what could be plainly justified if money were easy, but beyond what was wise, having regard to the world-wide condition of the money market which has been so marked in recent years. Now that the check upon our expansion, which we would not make of our own accord, has, in a measure, been forced upon us, we shall doubtless rapidly adjust our affairs to the new conditions, and I shall be surprised if we do not eventually conclude that as a borrowing country we have escaped the more serious troubles of our neighbors, have not failed to sustain the high credit Canada enjoys in Breat Britain and elsewhere in Europe, and that the banks, even if no more free from blame than other members of the business community, have really done all that could fairly be demanded.

The Excess of Imports.

While Canadians have taken a natural pride in the great growth of their foreign trade, which has increased from $257,168,000 in 1897 to $617,944,000 in 1907, some remark has seemed necessary each year upon the large excess in our imports. For the year ending midsummer, 1906, the two had so approximated that the excess of imports was only $37,680,000 in a foreign trade of $550,854,000, but for the year ending midsummer, 1907, we have an excess in imports of $101,601,000, our exports being but little larger than for the previour year, while our imports are about $65,000,000 more. The first three months following mid-summer, 1907, showed no tendency towards improvement. We cannot build a third transcontinental railroad in addition to providing for the large growth of older railroad systems; we cannot take care of an enormous and unprecedented inflow of immigrants; and we cannot build up new towns and cities by the hundred, without largely increasing our purchases as compared with what we have to sell.

Mortgaging the Future.

This is what we mean by mortgaging our future. After we make allowance for the wealth brought in by the immigrants themselves and by the many men with capital who come, mainly from the United States, to establish industries or to become merchants or important farmers, the total of which must be very large indeed, the greater part of the sum required to liquidate this excess of imports must be obtained from the sale of our securities abroad. The railroad corporations provide their share and generally in advance of its expenditure, but our towns and cities have of late years sold their bonds so readily that they have not hesitated to spend money in very large sums on improvements, the bonds for which can not as a rule be legally issued until the work is completed. At the same time many industrial companies have been spending money and depending on foreign markets for the sale of securities with which to replace the capital required for such expenditures. In ordinary times such a course would not seriously inconvenience Canadian finances, but coming in a year when the balance against us was so large, our crops below the normal, and the money markets of the world in the worst possible condition for all borrowing countries, it would have been strange if we had not experienced considerable discomfort. We can, however, congratulate ourselves on the soundness of our business conditions apart from the lack of capital, and this has enabled Canadian enterprises to obtain money in European markets on easier terms than many other countries. The course we should follow in the immediate future seems plain. In all cases where important expenditure for public or private works is contemplated we must be assured as to securing the capital before undertaking the work, and this, doubtless, means that we must go more slowly for a few years. Whether we like the discipline or not, the results will certainly be good for Canada in many ways.

A Decline in Wages and Commodities.

The scarcity of money arises from various causes. Roughly speaking, if one man wishes to borrow, another man must have saved in a shape ready for investment. If the world is in a debt paying and therefore also a saving mood, it will set aside annually more savings than are needed; and if the world's trade is expanding and profitable, and extravagance is therefore general, the reverse will be the case. One great French economist has endeavored to state the conditions of the world as they existed in 1906. He estimates the capital needed that year for new commitments as $3,250,000,000, and the world's savings available for investment at not more than $2,400,000,000 to $2,800,000,000 There was therefore an enormous deficiency, and however near this may be to the actual facts, it illustrates in a forcible way what the world is trying to do, and why interest rates have risen and the prices of all securities, no matter how excellent, have fallen. When we look at ordinary commercial banking operations connected with the production and movement of commodities, we must realize that as against an increased gold supply and the increased credit made possible thereby, there have been two factors tending to increase the load of credit to be carried. First, a great increase in the quantity or number of articles of merchandise to be carried, and, second, a great increase in the price of almost all articles. Clearly the world has gone too far in the one direction, and now we must look for a mood of economy, in consequence of which personal extravagance will decline and savings increase, and the pace of the world's building operations and trade movement will somewhat lessen. This will probably be accompanied by a fall in wages, however regrettable, and by a fall in prices generally, although the steady increase in the gold output of the world and the power of certain great industrial organizations may be opposing factors to any large and permanent decline.

IN THE MARITIME PROVINCES.

Crops and Prices Both Good—The Possibilities of the Steel Industry.

The Maritime Provinces have had another year of the quiet but steady-going prosperity which characterizes this part of Canada, and but for the effect on their lumber market of the check to buildings operations in Great Britain and the United States the results of the year would have been quite satisfactory. The unusually severe winter which was general throughout Canada was followed in these provinces by a backward spring and a more or less wet and unsettled summer; but although in New Brunswick and some few localities in Nova Scotia this was hurtful, the crops were excellent in Nova Scotia and Prince Edward Island generally, and owing to the prevailing high prices the farmer has had an unusually good year. The result of enquiries from 140 correspondents in Nova Scotia shows that, taking 100 as the average crop and considering four kinds of cereals, two kinds of roots, and hay and apples, the yield for all but hay, which was 90, ranged from 95 to 110. The results from the dairy have been somewhat larger and with better prices than for the previous year, and the sales of eggs, of cattle and other animals exceed those of recent years. The price for apples, one of the most important crops in Nova Scotia, is higher than last year, but there has been such a shortage of car supply that warehouses are full, and buyers are not willing to pay cash to farmers under such circumstances. The total crop for this province is estimated at 800,000 barrels, valued at $2,000,000.

Lumber in the East.

The lumber business, which is not one of the most important industries in Nova Scotia, although it is in New Brunswick, had a favorable season for manufacturing; but as sales depend mainly on conditions in other countries, it is not surprising to learn that the markets in Great Britain for deals and in the United States for hemlock declined because of decrease in building operations and large stocks on hand, so that some home stocks are held over, while many sales have been made at a loss, or at least without profit. There is quite a large supply of last year's logs unsawn, and the cut for the present winter will be not more than 50 per cent. of that of last year. As the Norwegian and Russian cuts are also being lessened, the market should return to normal conditions very soon; indeed, some improvement is already evident.

The Coal Output.

It is too early to obtain the figures of the output of coal for the season, but owing to a prolonged strike at one mining centre, to shorter working hours in some mines and to other causes, the quantity mined was somewhat less than for the previous year, instead of showing the usual increase of 10 to 15 per cent. There is also a large shortage in the St. Lawrence shipments owing to the late opening of navigation. There was an excellent demand at good prices, and except where mines are working on old contracts made at low rates, profits should be quite satisfactory.

The Steel Business.

The steel companies have had an excellent year. In the case of the younger and larger company there has been an improvement over the satisfactory previous year in output in proportion to plant, in quality and in profits, not having regard to the outstanding dis-

(Continued on page 6).

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE, TORONTO ESTABLISHED 1867

B. E. WALKER, President.
ALEX. LAIRD, General Manager,
A. H. IRELAND, Superintendent of Branches

Paid-up Capital,	$10,000,000
Rest, - - - -	5,000,000
Total Assets, -	113,000,000

BOARD OF DIRECTORS:

B. E. Walker, Esq., President Robert Kilgour, Esq., Vice-President
Hon. Geo. A. Cox, Joseph W. Flavelle, Esq. H. D. Warren, Esq.
Matthew Leggat, Esq. A. Kingman, Esq. Hon. W. C. Edwards
James Crathern, Esq. Hon. L. Melvin Jones, Z. A. Lash, Esq., K.C.
John Hoskin, Esq., K.C., LL.D. Frederic Nicholls, Esq. E. R. Wood, Esq.

New York Agency: 16 Exchange Place
Wm. Gray and H. B. Walker, Agents

Toronto Branch
M. Morris, Manager
C. Cambie, Asst. Manager

London (England) Branch: 2 Lombard Street, E.C.
S. Cameron Alexander, Manager

Branches in Every Province of Canada and in the United States and England.

This Bank transacts every description of Banking Business, including the issue of Letters of Credit and Drafts on Foreign Countries, and will negotiate or receive for collection bills on any place where there is a bank or banker.

BANKERS IN GREAT BRITAIN

The Bank of England; The Bank of Scotland; Lloyds Bank, Limited; The Union of London and Smiths Bank, Limited

The Dominion Bank

HEAD OFFICE - TORONTO, ONT.

Capital Paid-up	**$3,800,000**
Reserve Fund and Undivided Profits	**5,000,000**
Deposits by the Public	**34,000,000**
Total Assets	**48,000,000**

DIRECTORS:

E. B. OSLER, M.P., President.
WILMOT D. MATTHEWS, Vice-President.
A. W. AUSTIN, JAS. CARRUTHERS, J. J. FOY, K.C., M.L.A.
W. R. BROCK, R. J. CHRISTIE, A. M. NANTON, J. C. EATON,
CLARENCE A. BOGERT, General Manager.
H. J. BETHUNE, Superintendent of Branches.

Sterling and Continental Exchange Bought and Sold.

Agents in Great Britain—The National Bank of Scotland, Limited, and its branches.

Branches and Agents throughout Canada.

Commercial and Travellers' Letters of Credit issued, available in all parts of the world.

Bank of Toronto

HEAD OFFICE, TORONTO, ONT.

Capital	**$4,000,000**
Rest and Undivided Profits	**$4,650,000**
Assets	**$38,000,000**

ACCOUNTS opened for firms, corporations and business men.

MONEY LOANED to responsible people.

LETTERS OF CREDIT issued for Travellers or for Importers, containing every facility for safe and convenient banking.

INTEREST paid on Savings Deposits.

EFFICIENCY and **SATISFACTORY SERVICE** will be found in every department of our business.

73 Branches in Ontario, Quebec and the West.

CORRESPONDENTS IN

NEW YORK	National Bank of Commerce
CHICAGO	First National Bank
LONDON, ENG.	London City and Midland Bank, Limited

Incorporated 1855

THE

STERLING BANK

OF CANADA

Head Office, 50 Yonge Street, Toronto

THIS BANK IS EQUIPPED TO TRANSACT A GENERAL BANKING BUSINESS IN ALL ITS BRANCHES AND WILL, THEREFORE, WELCOME ACCOUNTS OF FIRMS, CORPORATIONS AND INDIVIDUALS, TO WHOM IT ASSURES COURTEOUS TREATMENT AND EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS.

F. W. BROUGHALL
General Manager.

Toronto Humane Society

103 Bay Street

President—Ven. Archdeacon Sweeny, D.D.
Hon. Treas.—Col. John I. Davidson.

Everyone is requested to report any case of cruelty promptly, so that it may be investigated.

TELEPHONE M. 1958

Contributions for the work earnestly requested.

Dora Speers, Secretary

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Founded 1882

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THE
ROYAL BANK
OF CANADA
INCORPORATED 1869

Capital paid up - - $3,900,000
Reserve - - - $4,390,000
Total Assets - - $48,000,000

HEAD OFFICE - - - - MONTREAL
EDSON L. PEASE, General Manager

Eighty-five Branches in Canada
St. John's, Newfoundland
Eight Agencies in Cuba Agency at San Juan, Porto Rio
New York City—68 William Street

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS
SAVINGS DEPARTMENTS AT ALL BRANCHES
CORRESPONDENCE SOLICITED

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Æmilius Jarvis & Co.
(Members Toronto Stock Exchange)
BANKERS and BROKERS
Toronto

We especially solicit enquiries and correspondence from investors who desire to place their money in securities which will ensure them absolute safety and at the same time bring them a fair return of interest. Advice on investments gladly given.

BONDS

The Sovereign Bank of Canada
Head Office, Toronto
Capital, all Paid Up - $3,000,000
ÆMILIUS JARVIS - President
F. G. JEMMETT, - Gen. Manager
R. CASSELS, - Asst. Gen. Manager

This Bank has facilities for transacting a general banking business, and issues Letters of Credit and Drafts on Foreign Countries.

United
Empire
Bank of Canada

"This Bank shows a steadily increasing patronage, due to its strength, conservatism and general policy. If you have in mind the opening of a new account, either savings or checking, we cordially invite you to become a depositor"

George P. Reid, General Manager

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Fire and Marine
Established 1851.
Head Office, - - - Toronto

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INSURANCE BROKERS
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112 St. James Street, MONTREAL

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Fire Insurance Company,
Head Office, - Richmond, Quebec
Capital $250,000
$60,000 Deposited with the Government for Security of Policy Holders.
J. C. McCaig, General Manager

The Company transacts a general Fire Insurance business, which is confined to the Dominion of Canada—no foreign risks written.
Insurance in force $6,000,000
General Agents—J. H. Ewart, Toronto, Ont. O. H. Day, Winnipeg, Man.; John J. Banfield; Vancouver, B. C.; Judson G. Lee, Montreal, Que.; Beverly R. Armstrong, St. John, N.B.
Local Agents wanted in unrepresented districts.

SEVENTY-SIXTH ANNUAL REPORT

BANK OF NOVA SCOTIA

[INCORPORATED 1832.]

Capital, $3,000,000. Reserve Fund, $5,400,000.

HEAD OFFICE, - - - - - - HALIFAX.
GENERAL MANAGER'S OFFICE, - - - TORONTO.

DIRECTORS:
JOHN Y. PAYZANT, *President.* CHARLES ARCHIBALD, *Vice-President.*
R. L. BORDEN, G. S. CAMPBELL, J. WALTER ALLISON,
HECTOR McINNES, H. C. McLEOD.

BRANCHES.

Nova Scotia — Amherst, Annapolis Royal, Antigonish, Bridgetown, Canning, Dartmouth, Digby, Glace Bay, Halifax, Kentville, Liverpool, New Glasgow, North Sydney, Oxford, Parrsboro, Pictou, River Hebert, Springhill, Stellarton, Sydney Mines, Truro, Westville, Windsor, Yarmouth.
New Brunswick — Campbellton, Chatham, Fredericton, Moncton, Newcastle, Port Elgin, Sackville, St. Andrews, St. George, St. John, St. Stephen, Sussex, Woodstock.
Prince Edward Island — Charlottetown, Summerside.
Ontario — Arnprior, Barrie, Berlin, Hamilton, London, Ottawa, Peterborough, St. Catharines, Toronto — King St., Dundas St.
Quebec — Montreal, New Richmond, Paspebiac, Quebec.
Manitoba — Winnipeg.
Alberta — Calgary, Edmonton.
Saskatchewan — Regina, Saskatoon.
British Columbia — Vancouver.
Newfoundland — Harbor Grace, St. John's.
West Indies — Cienfuegos, Cuba; Havana, Cuba; Kingston, Jamaica; Mandeville, Jamaica; Montego Bay, Jamaica Port Antonio, Jamaica; Port Maria, Jamaica.
United States — Boston, Chicago, New York Agency.

CORRESPONDENTS.

Great Britain — Royal Bank of Scotland.
France — Credit Lyonnais and Branches.
Germany — Dresdner Bank and Branches.

United States.

NEW YORK — Bank of New York, N.B.A.
BOSTON — Merchants' National Bank.
CHICAGO — First National Bank.
PHILADELPHIA — Fourth Street National Bank.
BALTIMORE — Citizens' National Bank.
SAN FRANCISCO — Canadian Bank of Commerce.
MINNEAPOLIS — First National Bank.

PROFIT AND LOSS.

1906.	Dec. 31.	By Balance	$54,454 70	
1907.	Dec. 31.	" Net profits for current year, losses by bad debts estimated and provided for	681,709 50	
				736,164 20
1907.	Jan. 19.	To Contribution to Jamaica Relief Fund	$10,000 00	
	Mar. 31.	" Dividend No. 149, at 12% per annum payable 2nd April, 1907	90,000 00	
	June 30.	" Dividend No. 150, at 12% per annum payable 2nd July, 1907	90,000 00	
	Sept. 29.	" Dividend No. 151, at 12% per annum, payable 1st October, 1907	90,000 00	
	Dec. 31.	" Dividend No. 152, at 12% per annum, payable 2nd January, 1908	90,000 00	
		" Contribution to Officers' Pension Fund	20,000 00	
		" Written off Bank Premises Account	125,000 00	
		" Transferred to Reserve Fund	150,000 00	
		" Balance carried forward	71,164 20	
				$736,164 20

RESERVE FUND.

1906.	Dec. 31.	By Balance	$5,250,000 00	
1907.	Dec. 31.	" Transferred from Profit and Loss	150,000 00	
				$5,400,000 00
1907.	Dec. 31.	To Balance carried forward,=180% of Capital		$5,400,000 00

GENERAL STATEMENT AS AT DECEMBER 31st, 1007.

LIABILITIES.

Deposits not bearing Interest	$5,465,297 11		
Deposits bearing Interest	21,394,624 18		
Interest accrued on Deposits	139,272 34		
		26,999,193 63	
Deposits by other Banks in Canada	269,264 44		
Deposits by other Banks in United Kingdom	10,488 85		
Deposits by other Banks in Foreign Countries	274,996 50		
		554,749 79	
Notes in Circulation	2,804,049 04		
Drafts drawn between branches, outstanding	443,639 98		
		3,247,689 02	
		30,801,632 44	
Capital paid up	3,000,000 00		
Reserve Fund	5,400,000 00		
Profit and Loss, balance carried to 1908	71,164 20		
Rebate of Interest @ 6% on Time Loans	80,867 10		
Dividend Warrants outstanding	438 00		
Dividend No. 152, payable 2nd Jan. 1908	90,000 00		
		8,642,4[illegible] 30	
			$39,444,101 74

ASSETS.

Specie	$3,001,284 31		
Dominion Notes—Legal Tenders	2,948,705 00		
Notes of and Cheques on other Banks	1,669,304 64		
Due from other Banks in Canada	151,463 37		
Due from other Banks in Foreign Countries	1,207,591 93		
Sterling Exchange	1,470,358 85		
	10,448,708 10		
Investments (Provincial, Municipal and other Bonds)	4,939,666 45		
Call Loans, secured by Bonds, Debentures and Stocks	4,483,056 17		
Call Loans, secured by Grain and other Staple Commodities	2,262,313 61		
		22,133,744 33	
Loans to Provinces and Municipalities	156,957 33		
Current Loans, secured by Bonds, Debentures and Stocks	956,437 38		
Current Loans, secured by Grain and other Staple Commodities	1,287,995 35		
Overdrafts, secured	235,419 72		
Overdrafts, authorized but not specially secured	51,930 57		
Notes and Bills discounted and current	13,957,882 64		
Notes and Bills overdue	745 07		
Bank Premises	493,523 93		
Real Estate other than Bank Premises	769 82		
Stationery Department	21,882 00		
Deposits with Dominion Government for security of Note Circulation	146,813 60		
		17,310,357 41	
			$39,444,101 74

NOTE:—A contingent liability of $200,000, in conjunction with several other banks in connection with the liquidation of the Ontario Bank, is not expressed in the above statement.

H. C. McLEOD, General Manager.

AUDITORS' REPORT.

We hereby certify that we have personally checked the cash on hand at Halifax, St. John, Montreal and Toronto. We have also verified the securities held as investments, personally examining those held by the Canadian branches of the Bank, and procuring certificates by responsible business men, not in the employ of the Bank, certifying to the existence of the remainder of these securities.

We have further to report that having examined the foregoing Balance Sheet, and having compared the same with the books of the Head Office, and the certified returns from the branches, we are of the opinion that it is a full and fair Balance Sheet, exhibiting a true and correct view of the Bank's affairs as at 31st December, 1907.

D. H. HUIE, *C. A., Edinburgh.*
J. MAXTONE GRAHAM, *C. A., Edinburgh*

BANK OF
NOVA SCOTIA
INCORPORATED 1832
Capital - - - - $3,000,000
Reserve Fund - - - $5,250,000
Head Office:
HALIFAX, N.S.
General Manager's Office
TORONTO

A general banking business transacted

Savings Accounts opened by deposit of $1 or over. Interest added quarterly.

FOR THE INFORMATION OF DEPOSITORS
This is the only Bank having its Head Office in Canada that submits its books and statements to examination by strictly independent auditor.

THE STANDARD BANK
OF CANADA.
DIVIDEND No. 69

Notice is hereby given that a dividend at the rate of Twelve per cent. per Annum upon the paid-up Capital Stock of the Bank has been declared for the Two Months ending 31st January, 1908, and that the same will be payable at the Head Office and Branches of the Bank on and after

Saturday, the 1st day of February 1908

The Transfer Books will be closed from the 20th to the 31st of January, 1908, both days inclusive.

THE ANNUAL GENERAL MEETING
of the shareholders (in accordance with the resolution passed at the last Annual Meeting) will be held at the Head Office of the Bank on

Wednesday, the 19th day of February, 1908

The chair will be taken at twelve o'clock noon. By order of the Board.

GEO. P. SCHOLFIELD, General Manager
Toronto 17th December 1907.

THE BANK OF OTTAWA
Head Office: Ottawa, Ont.
Capital, - - - - - - $3,000,000
Rest and Undivided Profits, - - 3,236,513
Branches and Agents throughout the Dominion of Canada.
Savings Department in connection with all Branches.
GEORGE BURN, General Manager

I Can Show You Some Sound Investments
As a specialist in industrial investments of the solid, safe, paying kind, I learn of things that you probably wouldn't hear of until the opportunity was past.
I would like to correspond with you NOW,—when money is tight and scarce, about some values you can pick up for fewer dollars than they're worth.
If You Have Idle Money and Shrewd Sense
There are two or three things in my knowledge at present well worth your hearing about. I don't want you to put up a dollar until you know ALL about the proposition. Suppose you just write?
BENJAMIN BURLAND, Financial Agent, 303 Board of Trade Building, Montreal

ALFRED B. WILLIS
Mining Engineer
23 TORONTO STREET, TORONTO

The Ontario Bank

A Special General Meeting of the Shareholders of the Ontario Bank will be held at the Head Office of the Bank on WEDNESDAY, MARCH 4TH, 1908, at 2.30 p.m., for the purpose of considering and, if thought advisable, of passing the following resolution:—

"That the Shareholders hereby approve of the action of the Directors in instituting legal proceedings against the late Directors of the Bank, and hereby authorize the Board of Directors in their judgment and with legal advice, to incur what expense may be necessary and expedient to prosecute the suit, and to use the funds of the Bank for that purpose."

By order of the Board,
A. D. BRAITHWAITE,
General Manager.

NOTICE
The Toronto & York Radial
Railway Company.

The Annual General Meeting of the Shareholders of the Toronto & York Radial Railway Company, for the election of a Board of Directors and the transaction of other business connected with or incident to the undertaking, will be held at the Head Offices of the Company, Toronto Railway Chambers, Toronto, at 11.30 a.m., on Wednesday, the fifth day of February, 1908.

The Transfer Books will be closed from the 22nd day of January to the 5th day of February, 1908, both days inclusive.

J. C. GRACE, Sec'y.-Treasurer.
Toronto, December 31st, 1907.

NOTICE
The TORONTO RAILWAY COMPANY

The Annual General Meeting of the Shareholders of the Toronto Railway Company, for the election of a Board of Directors and the transaction of other business connected with or incident to the undertaking, will be held at the Head Offices of the Company, Toronto Railway Chambers, Toronto, at noon on Wednesday, the fifth day of February, 1908.

The Transfer Books will be closed from the 22nd day of January to the 5th day of February, 1908, both days inclusive.

J. C. GRACE, Sec'y.-Treasurer.
Toronto, December 31st, 1907.

THE COBALT TOWNSITE.

A Brighter Outlook Prophesied—The Financial Statement Not Encouraging.

Our London correspondent writes:—The least unsuccessful of the Cobalt companies which have been formed on this side is the Cobalt Townsite, but not much satisfaction will be gleaned by shareholders from the perusal of the first directors' report. Of course, it may be argued that to open up a mine a year is not a long time, but we have been led to believe with regard to the veins on the Cobalt field that they are so rich that they could practically be quarried. The report states that 28 veins have been so far located, and, that shipments for the year amounted to 116 tons of ore, containing nearly 40,000 ounces of silver. This is really magnificent value—but it was probably picked ore. However valuable may be the property, I cannot congratulate the promoters on the financial acumen they have displayed. The company started with a paltry working capital of £5,000, and had to borrow £5,600 to carry on operations. Yet Cobalt Townsites were boomed sky-high, the £1 shares, earlier this year, touching at one time £4 apiece. They are now 15s. The promoters, no doubt, placed many shares at high figures, and must have made a good haul, but the effect of this and other extravagant Cobalt rigs has been to effectually discredit that field of Canadian enterprise with British investors.

Better Things Prophesied.

At the annual meeting on Dec. 31st, optimistic views were expressed regarding the outlook by the chairman, Sir A. C. F. Fitz-George, and Mr. A. J. Young, the managing director of the Canadian company. The latter stated that the item of $20,000 odd shown as loss on the working on the mine was incorrect, at least $15,000 of this being money which should have been charged to development, instead of profit and loss, a matter which should certainly have been more satisfactorily cleared up between the management and the auditors before the shareholders' meeting. Mr. Young referred to the difficulties that they had met with and overcome. He stated that when the English company was organized the property was without machinery, and only sufficient development had been done to show that there were on the surface such indications as, in the other good properties, had led to bonanza veins and large profits. The situation of the Townsite mine, he claimed, is such that "it must be a valuable property." It is surrounded by mines which are valuable, and while Townsites has "been unfortunate in not getting high values in the No. 3 vein, where practically all development has been done," it does not follow that "the other veins would not show up high values." A great deal more money is to be expended in development, and the Canadian holders in the property are, if necessary, to advance the money required. Under these circumstances the English shareholders had nothing to say, and the necessary resolutions were carried unanimously.

MONTREAL TELEGRAPH.

The Montreal Telegraph shareholders had their annual meeting on Thursday at Montreal and re-elected the old board as follows: Hugh A. Allan, president; A. T. Paterson, vice-president; W. Wainwright, W. McMaster and W. R. Miller. The company's property, valued at $2,151,823.85, is operated and maintained by the Great Northwestern Telegraph Company of Canada. Its operation and maintenance are also guaranteed by the Western Union Telegraph Company, of New York, under an agreement with this company for 97 years, from July 1, 1881. The company continues free from debt or encumbrance of any kind.

Mr. David Morrice, president of the Penman Manufacturing Company, has been elected a director of the Royal Trust Company.

THE FINANCIAL POST
OF CANADA

A weekly newspaper aiming to present to the public in a popular manner accurate information relating to the financial interests and legitimate investments of Twentieth Century Canada.

No paid advertising will be inserted in the reading columns unless marked "Advertisement" excepting in the case of Official reports of annual or other meetings of corporations

The acceptance and insertion of an advertisement shall in no way be taken as an indication of the approval of the editoral department; the latter shall be free to comment or criticize, if necessary, as their study of the situation demands.

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President, - - John Bayne MacLean
Managing Editor, - - - Stewart Houston

Toronto, January 18, 1908.

MR. WALKER'S SUMMING UP.

"The situation bears little relation to that following the troubles of 1893, either as to currency conditions and standards, crop conditions, or volume of manufactured goods relatively to the demand, and, provided the usual crops are harvested next year, a very full measure of industrial activity should prevail throughout North America. The marketing of the actual products of the field, forest and mine of itself requires that large additions should be made to railroad equipment and that other building operations should be carried out, and if the world generally can be induced on the one hand to exercise its power of saving to a greater degree, and on the other to moderate somewhat the pace of its industrial expansion, especially as regards the fixing of capital in betterments of all kinds, we need not fear for the prosperity of the farmer throughout North America or that our workshops will be idle to an extent which should interfere with a sound and reasonable prosperity."

Conclusion of the address of the president of the Canadian Bank of Commerce.

BANK CAPITAL INCREASES.

The authority taken by the Bank of Commerce to increase its capital from $10,000,000 to $15,000,000 does not mean that the capital will be issued forthwith, but it is in line with the action of several other institutions which have wisely decided to place themselves in a ready position for future developments. The capital requirements of our chartered banks are assuming a very interesting condition. The increases in recent years have been so numerous that the shareholders have been called upon in most institutions to the full measure of their resources. The difficulty in issuing new stock which now confronts the banks is that the purchase money must be taken from the deposits, and, in most cases, the capital is more expensive money than the deposits. As previously pointed out, the opportunity for new banks has pretty well passed. What is really desired is the attraction to Canada of investment from Great Britain and France in our bank shares. In the well-established institutions with large reserves the double liability ought not to be a "bogey" to the capitalist. We believe the time will soon be opportune for the sale of new shares in our existing banks abroad, and the Canadian shareholders should afford their directors every facility in bringing new capital into the country. The banks should prove the safest and most profitable investment of all provided due regard is shown to the standing of the institution and the character of its management.

A CASE IN POINT.

A municipality that has shown a remarkable rate of progress and has developed from a small tourist town into a strategic manufacturing city during the past six years is Niagara Falls, Ont. At the inaugural meeting of the city council the mayor, Mr. R. F. Carter, presented an inaugural address, in which a complete and succinct account was given of the city's finances. In this respect alone it is a good example for other municipalities to follow at the beginning of the year. Mayor Carter is, however, to be especially commended for his position in regard to the city's bonds. He emphasized the points that the city should not undertake any new works without first securing the funds and that it was better to take the market price than to indulge in short term expedients. As a result of this policy the city was now in a position to secure capital on a favorable basis.

It is an especial gratification to The Financial Post to record this instance of intelligent municipal attitude. In his address, Mayor Carter quoted some data from The Financial Post, and we may be allowed to assume that the principles which we have consistently advanced in our bond department have been well considered in this case, and have resulted in material advantage. It is all the more gratifying to us because Niagara Falls has been justifiably one of the "boom" cities of Canada. It might easily have followed the example of other "boom" precedents. In the midst of a marked local prosperity it is greatly to the credit of Mayor Carter and his predecessor, Mayor Slater, that they have avoided the atmosphere of inflation. It is a pretty good rule for any municipality to take counsel with its banker, assisted by the information which this paper is able to offer on municipal finances and bond issues. In this particular case the mayor has perhaps builded better than he knew. Niagara Falls, with its unequalled power and freight facilities, has a natural attraction for manufacturers, but if the capital which controls manufacturing realizes that this is a municipality conducting its affairs on a business basis, the attraction becomes all the greater.

THE BOND REVIEW

AN UNPROFITABLE YEAR FOR THE BOND HOUSES.

The Volume of Transactions Was the Largest—Except in the G.T.P. Year—England Absorbs Our Issues More Largely—The Corporation Issues—The Prospects for 1908—Mr. E. R. Wood's Annual Review.

The review of the year in Canadian bonds by Mr. E. R. Wood, vice-president of the Dominion Securities Corporation is always most informing and the details are marshalled in a succinct manner.

The following was Mr. Wood's address at the annual meeting of the corporation on Wednesday:—

Canadian Bond Business in 1907.

Bond houses felt the year 1907 a very trying experience. A year ago this report called attention to the high money rates beginning in the fall of 1905 and prevailing throughout 1906. The upward movement of interest continued during 1907. Last year the report spoke of the fact as extraordinary that the Bank of England rate during 1906 rose to six per cent., a point without precedent since the Boer war, and continued there. In 1907, the Bank of England rate advanced on Thursday, November 7, to seven per cent., the highest since 1873. It remained at that point eight weeks, as against two weeks of nine per cent. and six days of seven per cent. money thirty-four years ago.

Money rates in Canada, as furnished by the Canadian Bank of Commerce were:

In 1906—To May, 5 per cent; to September, 5½ per cent; from September to the end of the year, 6 per cent.

In 1907—To April, 5 per cent.; to August 19, varying from 6 per cent. to 7 per cent.; from August 20 to September 25, 7 per cent.; from September 26 to the end of October, 6½ per cent.; during November and December, 7 per cent.

The lowest rate, then, of 1907, was equal to the highest rate of 1906.

Though on account of this extraordinary financial stringency, the past year has been unprofitable for the bond houses, the volume of transactions has been considerably greater than that of any former year, excepting 1905, which witnessed the Grand Trunk Pacific and other large issues.

The comparative issues of bonds for the past four years in Canada are:

	1907	1906
Corporation	$58,931,200	$35,694,000
Municipal	14,430,540	9,087,008
Provincial	9,274,000	9,206,000
Total	$82,635,740	$53,987,008
	1905	1904
Corporation	$125,497,284	$ 9,344,000
Municipal	9,031,160	13,759,247
Provincial	346,087	11,146,000
Total	$134,874,531	$34,249,247

Corporation issues then nearly doubled and municipal issues increased nearly fifty per cent. Throughout 1906 financing was withheld in the expectation of lower interest rates. Bonds were issued in 1907, partly through immediate necessity and partly because the expectation was given up of a quick return to lower interest rates. It is an indication of the excellent standing of Canadian securities that during the time of such stress the market took Canadian bonds in such large quantities.

The distribution of Canadian bonds in 1907 was as follows:

	1907	1906
Canada	$14,761,683	$23,304,958
Great Britain	63,095,057	26,563,700
United States	4,779,000	4,118,350
Total	$82,635,740	$53,987,008
	1905	1904
Canada	$35,149,921	$24,235,247
Great Britain	85,621,395	2,584,500
United States	9,256,782	8,354,500
Europe	4,846,433	....
Total	$134,874,531	$34,249,247

The most interesting thing about this comparison is that Great Britain took during 1907 nearly two and one-half times as many Canadian bonds as in 1906, and came well up towards the $85,621,395 taken in 1905, the year of the Grand Trunk Pacific and other large issues. This is especially gratifying as an indication of the continued increasing growth in interest of British investors in Canadian securities.

The Dominion Securities Corporation through its London office has already taken an important part in this movement of British capital to the Dominion and it will continue to render an increasingly valuable service to Canada.

Through its seven years of life the company has proved the field for an organization with large capital resources, employing a number of men skilled in various lines of financial work.

Provincial Bonds.

The provinces issued bonds in 1907 to the amount of $9,274,000. This is almost exactly the amount issued in 1906, which was $9,206,000. The provinces issuing bonds, and the amounts, were: Manitoba, drainage, $274,000; Manitoba, telegraph and telephone, $500,000; Dominion of Canada, $7,500,000; New Brunswick notes, $1,000,000; total, $9,274,000.

These were distributed as follows: Canada, $74,000; England, $8,900,000; United States, $300,000; total, $9,274,000.

Municipal Bonds.

Canadian municipalities sold bonds in 1907 to the amount of $14,430,540, compared with $9,087,008 in 1906.

	East	West	Total
1905			
Number of Municipalities selling	115	26	141
Total Sales	$4,407,084	$4,624,076	$9,031,160
1906			
Number of Municipalities selling	118	36	154
Total Sales	$6,762,946	$2,324,062	$9,087,008
1907			
Number of Municipalities selling	99	39	138
Total Sales	$6,171,730	$8,258,810	$14,430,540

The increase in the number of municipal bonds put out was to be expected in view of the issues overhanging the market at the beginning of the year. During 1906 the municipalities withheld from selling in the expectation of better prices, only to take lower prices in 1907. Municipal corporations should take the market rather than engage in speculation. During a high money period a municipality should seek to save by frugality and by refraining from new enterprise.

The sales during the year also show that it is desirable for a municipality to sell its bonds and secure funds before making expenditures. Many of the municipal sales were forced by too large overdrafts at the bank. However, at the beginning of 1908 municipalities are generally in better shape than they were at the beginning of 1907 and this is another hopeful condition in the general situation.

The distribution of the 1907 and 1906 issues was:

	1907		1906
Canada	$6,817,683,	47 per cent.	$7,723,958
United States	379,000,	3 per cent.	454,350
Great Britain	7,233,857,	50 per cent.	908,700
Total	$14,430,540		$9,087,008

Again, the remarkable thing about the distribution is that Great Britain took $7,233,857 Canadian municipal bonds in 1907, compared with $908,700 in 1906.

Corporation Bonds.

Issues of corporation bonds in Canada for 1907 aggregated $58,931,200 as compared with $35,694,000 in 1906. A greater number of the issues were made in the earlier part of the year and were put out, partly because the corporations had not fully understood the severity of the situation. Many of the bonds were put out, too, for undertakings to which the corporations were committed in 1906.

Canada absorbed only $7,870,000 of the total, compared with $12,375,000 in 1906, while Great Britain took $46,961,200 as compared with $19,655,000 in the earlier year.

Of the total corporation bonds Canada absorbed in 1907 at least $4,130,000 were of the industrial class. The total corporation bonds include $6,005,000 other than public service corporation bonds. This amount necessarily omits a number of small issues of which no record is obtainable. The list of issues is:

Public Service Corporation Bonds Lower

Canadian Pacific Ry., debenture stock, $12,500,000; Grand Trunk Ry., debenture stock, $5,000,000; B. C. Electric Ry., debenture stock, $1,500,000; Dominion Power & Transmission Co., $1,650,000; Shawinigan Water & Power Co., $1,750,000; Niagara Navigation Co., $110,000; Canadian Northern Ry., stock, $6,000,000; Electrical Development Company, $1,000,000; Montreal Street Ry., $1,000,000; Canadian Northern Ry., equipment bonds, $3,625,000; Rio de Janeiro T.L. & P. Co., $4,661,200; Dartmouth Electric Co., $100,000; Puebla Tramway, Light & Power Co., $6,000,000; Maritime Coal, Ry. & Power Co., $1,000,000; Canada Southern Ry., (old bonds extended) $144,000,000; St. John Ry., $250,000; Levis County Ry., reorganization, $500,000; Saraguay Electric Company, $30,000; West Kootenay Power & Light Co., $1,500,000; R. & O. Navigation Company, $1,000,000; Montreal Water & Power Co., $350,000; Porto Rico Ry. Co., $800,000; Cape Breton Coal, Iron & Ry. Co., reorganization, $2,600,000; total, $52,926,200. Of this total $3,740,000 were sold in Canada, $45,586,200 in England and $3,600,000 in United States.

Industrial and Other Corporation Bonds.

Magdalen Islands Development Co., $500,000; Penmans Limited, $2,000,000; Linton Apartments Co., $650,000; Milton Pulp & Paper Mills, $30,000; Wabasso Cotton Co., Ltd., $1,000,000; Smart Bag Co., Ltd., $75,000; Shawinigan Carbide Co., Ltd., $600,000; A. A. Ayer Co., Ltd., $100,000; Western Can. Timber Co., $375,000; St. John Storage Co., $75,000; Toronto Amusement Co., $600,000; total, $6,005,000. Add Pub. Service Corpn. bonds, $52,926,200. Total, $58,931,200. Of this $7,870,000 were placed in Canada, $46,961,200 in England and $4,100,000 in United States.

The list of industrial issues does not include numerous small amounts which would somewhat swell the total.

THE PROSPECTS FOR 1908.

Provincial Issues.

The year 1908 promises an increase in the number of provincial bonds over 1907 and 1906. Already the province of Manitoba has authorized an issue of $3,000,000 bonds in payment for the telephone system. The province of Saskatchewan has authorized $2,000,000 for telephone lines and parliament buildings, and the province of Alberta will probably authorize a like amount for similar purposes. These will probably come on the market during the year. Other provincial bonds likely to come on the market are:

New Brunswick	$1,000,000
Ontario	1,500,000
Newfoundland	500,000

The Principal Municipal Items.

The weakest feature of the municipal situation is the willingness of municipalities to assume indebtedness, especially for undertakings of a general service nature. Such debt is assumed without recognition of the fact that its swelling total must lead to increasing interest rates to compensate for the increased risk of the bonds as investments. The present large rise in interest rates obscures this inevitable result. It will appear when interest reaches a level again.

Since Great Britain is necessarily the only great market for Canadian bonds, the municipalities should seek the advice of an investment house familiar with that market and prepare their issue under its direction. If done properly this need not preclude getting the issue ready in a form satisfactory to the Canadian market also. Such action will widen the market and increase the credit of the municipality. In seeking this British market Canadians should always bear in mind that the English investor has a world wide field to choose from and seemingly small things may turn him from a given security. He is in a position to exact his conditions.

The total amount of bonds offered and unsold during the year is $4,320,909.

Besides the bonds already described as offered but not sold, there will probably come on the market in 1908 in addition to many smaller issues:

EAST

Toronto	$2,500,000
Ottawa	1,000,000
Montreal	2,000,000
Port Arthur	350,000
Fort William	150,000
Montreal Protestant Schools	275,000
St. Louis Du Mile End	1.000.000
St. Hyacinthe	170,000
Three Rivers	298,500
Fredericton	100,000
Sorel	75,000
Summerside, P.E.I.	90,000
Springhill, N.S	54,000
Notre Dame de Quebec	83,000
Oxford County	150,000
Hamilton	250,000
London	200,000
Brantford	50,000
Gravenhurst	45,000
	$8,840,500

WEST

Winnipeg	$6,000,000
Vancouver	1,500,000
Edmonton	850,000
Calgary	800,000
Saskatoon	100,000
Lethbridge	75,000
Nelson	50,000
Portage la Prairie	50,000
Moose Jaw	150,000
	$9,575,000

TOTALS

East	$8,840,500
West	9,575,000
	$18,415,500

The Royal Bank has declared a bonus of ten per cent. to its staff for the year 1907.

New York Stock Exchange.

Range of Prices for Week Ending Jan. 17th.

—	Closing Jan. 10	Open Jan. 11	High.	Low.	Last.
Amalg. Copper Co.	49⅝	50	53¾	49¼	51¾
Am. Car & Foundry	31	30⅝	32¾	30⅝	31¾
Am. Locomotive Co.	37	37¼	41¾	37	40
Am. Smelt. & Ref.	75¾	76¼	79¼	71½	73⅝
Am. Sugar Ref. Co.	108¼	109	113⅝	109	113⅝
Am. Tobacco Co., pfd.	77⅞	78	81	77¼	81
Am. Woolen Co.	18¾	18¾	20	18	18
Anaconda Cop. Min.	31	31	33¾	31	33
At., Top. & S.F.	69½	69¾	74½	68¾	73
Atlantic Coast Line	70½	70¾	74½	70¾	73
Baltimore & Ohio	84¾	85⅞	90½	85⅞	89
Brooklyn Rapid Transit	42	41⅞	46⅜	41⅜	45¾
Canadian Pacific	156⅞	157¼	158¾	149	150
Chesapeake & Ohio	31	30¾	32⅝	30¾	31¾
Chicago Great Western	5¼	5¼	5⅞	5⅛	5⅝
Chi., Mil. & St. Paul	111⅜	111⅝	117½	111⅜	116⅝
C., C. C. & St. Louis	56½	56⅛	62	56⅛	59½
Chi. & Northwestern	144½	144	152	144⅛	152
Colorado Fuel & Iron	20⅜	20⅛	22¼	20⅛	21¼
Colorado & Southern	25½	25	25⅞	24⅝	25¼
Consolidated Gas	102½	103½	107⅝	101½	103¼
Delaware & Hudson.	165	166	166¾	162	164
Den. & Rio Grande	20¾	20¾	21¼	19¼	20¼
Dul., S.S. & At.	....	....	16¼	16¼	16¼
Erie	15¼	15½	16½	15⅜	16
Erie, 2nd pf	23½	24	24½	24	24⅛
General Electric	119	120	125	120	122
Great Northern, pf.	120⅝	121	124⅞	120⅝	124⅝
Illinois Central	126¾	128	132½	128	132⅝
Interb.-Metropolitan	7¼	7¼	8¼	7½	8¼
International Paper Co.	10	9⅛	11	9	11
Louisville & Nashville	93¾	94½	101½	94½	101
Mackay Companies	59	60	60	59	59¼
Mackay Companies, pf.	63	63¼	64	63	65¼
Mexican Central, pf.	15⅝	15¾	16½	15⅝	16
Minn. & St. Louis	24⅞	25	28	25	25¼
M., St. P. & S.S.M.	92⅛	91	94⅞	91	91⅜
M., St. P. & S.S.M., pf.	131½	130	130⅞	130	130¼
Mo., Kan. & Texas	25¼	25½	27⅛	23½	25⅝
Missouri Pacific	42⅛	42½	46	41½	43¼
New York Central	94½	95	103	94⅜	101
N.Y., Ont. & Western	34	34	36	33½	33¾
Norfolk & Western	64¾	64¼	70	64	68¼
Northern Pacific	122⅞	123¼	129¼	122¼	128⅝
Pennsylvania R.R.	112⅞	113¼	117⅜	113⅛	116
People's Gas, Chi.	86½	86¼	89	86¾	88
Pullman Company	152⅛	....	....	....	....
Railway Steel Spring	29	29	29½	29	29½
Reading	105½	106	110¼	105¾	109¼
Rep. Iron & Steel	17¾	17½	18¾	17⅜	17⅝
Rock Island Co.	14½	14⅜	15⅝	14	14⅝
Rock Island, pf.	28¾	28¾	29½	27⅞	28¼
St. Louis Southwestern	....	14½	15½	14½	15
Sloss-Shef. Steel & Iron	38½	40	41¾	40	41
Southern Pacific	74½	74½	76¾	74⅝	76¼
Southern Railway	9¼	9⅞	11½	9¼	10¾
Texas & Pacific	20¼	21¼	21½	19¾	20¾
Union Pacific	122⅝	122½	126¾	122⅜	126¼
U. S. Rubber	23	23¾	26	23¾	24¼
U. S. Steel	27½	27¾	30⅜	27⅝	30
U. S. Steel, pf.	92	92¼	95⅝	92⅛	94⅝
Wabash	10	9⅝	9⅝	9¼	9½
Western Union Tel.	57½	59	60	59	59
Wisconsin Central, pf.	38	40	42½	40	42

Railroad and Street Railway Earnings

Gross Earnings

—	Week ending	1908.	1907.	Changes.	From date mentioned to the last week for which earnings have been reported. Date.	1908.	1907.	Changes.
Canadian Northern	Jan. 7	141,200 00	107,100 00	+ 34,100 00	July 1	5,449,100 00	4,023,200 00	+ 1,425,900 00
Canadian Northern	Jan. 14	137,900 00	81,300 00	+ 56,600 00	July 1	5,587,000 00	4,104,500 00	+ 1,482,500 00
Canadian Pacific	Jan. 7	1,077,000 00	1,059,000 00	+ 18,000 00	July 1	41,430,000 00	38,121,000 00	+ 3,309,000 00
Duluth, S.S. & Atlantic	Jan. 7	42,708 00	51,709 00	− 9,001 00	July 1	1,816,191 00	1,739,168 00	+ 77,023 00
Grand Trunk System	Jan. 7	676,394 00	756,517 00	− 80,123 00	July 1	23,822,418 00	22,627,217 00	+ 1,195,201 00
Minn., St. P. & S.S.M. (Soo)	Jan. 7	166,973 00	178,356 00	− 11,383 00	July 1	6.756,225 00	6,920,485 00	− 164,260 00
Mineral Range	Jan. 7	12,296 00	11,894 00	+ 402 00	July 1	434,114 00	408,735 00	+ 25,379 00
Detroit United	Jan. 7	114,109 00	106,048 00	+ 8,061 00				
Detroit, Jackson & Chicago	Jan. 7							
Halifax Electric Tram.	Jan. 7	2,961 96	2,904 07	+ 57 89				
Havana Electric	Jan. 5	37,484 00	34,211 00	+ 3,273 00				
Montreal St. Ry.	Jan. 7	64,768 13	62,155 81	+ 2,612 32				
Toledo Railways System	Jan. 7	25,261 42	26,908 28	− 1,646 86				
Toledo Railway & Light Co.	Jan. 14	61,684 20	26,466 73	− 1,678 07	Jan. 1	50,050 08	53,375 01	− 3,324 93
Toronto Railway Company	Jan. 7	24,788 66	58,520 77	+ 3,163 43				
Twin City	Jan. 7							

Net Earnings

—	NOVEMBER 1907	NOVEMBER 1906	Changes	Eleven months. 1907	Eleven months. 1906	Changes
Grand Trunk System.						
Grand Trunk of Canada.						
Nov. gross	3,056,162 00	2,919,900 00	+ 136,262 00	15,566,959 00	14,700,473 00	+ 866,486 00
Expenses	2,223,991 00	2,096,489 00	+ 127,502 00	11,090,267 00	10,270,013 00	+ 820,254 00
Net	832,171 00	823,411 00	+ 8,760 00	4,476,692 00	4,430,460 00	+ 46,232 00
Grand Trunk Western.						
Nov. gross	528,502 00	510,982 00	+ 17,520 00	2,867,827 00	2,616,733 00	+ 251,094 00
Expenses	437,985 00	402,459 00	+ 35,526 00	2,385,072 00	2,180,696 00	+ 204,376 00
Net	90,517 00	108,523 00	+ 18,006 00	482,755 00	436,037 00	+ 46,718 00
Detroit, Grand Haven & Milwaukee.						
Gross	147,455 00	137,235 00	+ 10,220 00	820,978 00	779,125 00	+ 41,853 00
Expenses	121,176 00	106,090 00	+ 15,086 00	659,411 00	549,427 00	+ 109,984 00
Net	26,279 00	31,145 00	− 4,866 00	161,567 00	229,698 00	− 68,131 00
Canada Atlantic.						
Gross	202,446 00	191,740 00	+ 10,706 00	1,038,995 00	951,186 00	+ 87,809 00
Expenses	189,307 00	178,600 00	+ 10,707 00	941,180 00	807,165 00	+ 134,015 00
Net	13,139 00	13,140 00	− 1 00	97,815 00	144,021 00	− 46,206 00

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of Canada

ESTABLISHED 1875

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Rest - - - - - $ 4,875,000.00

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The highest price of corn in this generation was $1.88 per bushel, in January, 1865. The lowest price ever reached in this market was 25¼ cents, on Sept. 8th, 1896.

The highest price of pig iron at the seaboard, since 1852, according to the records of the American Iron and Steel Association, was $59.25 per ton in 1864. Since the return of the United States to a specie basis, the highest price has been $41 per ton, in January, 1880. The low record in this country's history was $10.50 for No. 2 foundry and $11.25 for No. 1 foundry, in August of 1898.

INDIVIDUALS DIE

They also have their own business to attend to and should not be asked to act as Executor. Put it on a business basis and appoint this Company. Interviews at any time.

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Manitoba Radicalism

THE CABINET'S OFFER TO ABOLISH THE GRAIN EXCHANGE.

The Report of the Grain Commission—The Purchase of the Bell Telephone—The Necessity of a Grain Exchange—The Heavy Movement of Wheat Early in the Year.

Winnipeg, Jan. 13.—There is a great deal of criticism over the recent purchase of the Bell Telephone Company by the Manitoba government for $3,400,000. It is stated by experts that the price is far too big and that the government acted hastily in paying it. Nevertheless, it is undoubtedly a good thing that there should be only one system. To have had two would be a needless waste of capital. The Manitoba government having pledged themselves to government telephones were bound to go ahead with their scheme, though it is rumored they were finding it difficult to finance it. They went to the electors with glib talk about the way they would install and operate them, but when they came to try and sell bonds they found it impossible to do so for the purpose of running a line in opposition to the Bell Company. The only way out of their difficulty was to buy out the existing lines, even if they had to give more than they were worth. Now that they will have no opposition they will no doubt be able to borrow the money, or, possibly, the Bell Company will take the bonds off their hands.

It will be interesting to see whether they make any reduction in the rates, as they promised, when the question was brought to the polls. Politicians in the West are too anxious for power and place, and seem willing to plunge in any direction to gain votes. Every enterprise they undertake strengthens their power.

Collections in the country during December were not nearly as good as usual, and many of the wholesale houses are complaining. At the same time they are able to carry their customers over to another year where they know them to be honest. It is in districts which were frozen out that this has to be done. One hardware merchant stated that a customer wrote in that he was shipping back a carload of merchandise, as he could not sell it or pay for it. The wholesaler wrote back telling him not to do this, as they were prepared to carry him along, and the low price obtainable for the goods in Winnipeg would make the loss a very bad one if they were shipped back.

An item of interest is the sale by Greenshields Western, Limited, of their business to Robinson, Little & Co., of London, Ontario. The company was formed in 1903, with a total subscribed capital of half a million dollars. The firm was closely allied with the E. B. Greenshields Company, of Montreal, who, it is said, do not intend to give up Western business, but will conduct it in future through their travelers.

Everyone in the West is intensely interested in the report of the Grain Commission, which has recently been given to the house at Ottawa by the three commissioners, Messrs. John Millar, W. L. McNair and G. E. Goldie. These men, it will be remembered, held sittings at numerous places in the West at the primary markets, also at the points of ocean shipment, including some in the United States, besides going over to England and making full inquiries into the conditions and opinions there. Their finding is that the system of inspection is suited to the requirements of our country, and that it would be very unwise to alter it or to change the established grades. This will be welcome news to the merchants and millers in the "Old Country" who all express themselves very satisfied with the Manitoba inspection. They state that they can no longer buy American grain on inspection certificate, because the grades are tampered with so much in that country that the certificate is no guarantee as to the quality of the grain. When they buy Manitoba grain, however, they know what kind of wheat they will get. The commissioners declare that the dealing of the members of the Winnipeg Grain and Produce Exchange is above reproach, and that the products are bought and sold in public competition.

This is especially instructive at the present time when the Manitoba government are bringing in a bill to practically put the exchange out of business. The farmers in the country extorted promises from the government at the last election that the exchange should be curbed, and now they are being forced to keep their promises, though the ministers admit that they are not personally in favor of making such drastic changes. The report of the commission, therefore, that they cannot see how anything can be found to take the place of the exchange should be given due prominence. The grain trade of the Northwest affects other provinces than Manitoba, and it is not right that the politicians of Manitoba to keep their places, should be allowed to disorganize the regular channels of trade. If there is no exchange the standing of the firms doing the grain business will be hard to find out. There will be no machinery for protecting purchases and sales from the rise or fall of the market. Failures will be frequent and speculation much more rife than it is at present. The banks will have a much harder time keeping track of their customers, and, consequently, will be less willing to advance money for the buying of grain. It will be remembered what a panicky feeling spread through the West when the banks shut down on grain loans this fall, and how the farmers were the very ones to suffer through the falling prices. If the exchange is put out of business the banks would undoubtedly suffer so they should bring pressure to bear at once to curb this reckless legislation. The bill is now in committee. The chief item is the cancellation of the commission rule which at present compels members to charge a cent a bushel for selling and looking after farmers' grain. The farmers wish to have members free to handle the grain for nothing, but it will really be detrimental to the farmers for the result of having no commission rule will be to put the small dealers out of business and to put greater power in the hands of the large elevator companies which will be able to tide over the cut-throat competition. When they have the small dealers out of the way the large concerns will proceed to take not one cent, but many cents a bushel off the farmers.

The grain commission, at any rate, composed of two farmers and one miller, after minute investigation, have declared that the exchange is necessary. Some means should be found, therefore, to prevent this bill from going into law, for the farmers who are forcing it through do not know what they are doing. There has been a good trade in grain last week at advancing prices. The low grades have been particularly strong. Feed wheat is being shipped in large quantities, all rail, via Boston, for export.

Fort William and Port Arthur stocks on January 10th were as follows.

	1908. Bush.	1907. Bush.
Wheat	6,762,463	3,175,224
Oats	1,860,161	680,057
Barley	545,664	149,412
Flax	499,818	107,365

Shipments this year were 783,801, against only 231,905 last year.

The stock of wheat increased 365,967 from last week, the heavy shipments being the reason of their not increasing more.

BANK OF NOVA SCOTIA.

The Remarkable Strength Percentages—A Notable Increase in Deposits.

The Bank of Nova Scotia, true to the exceptionally high standard it has set in previous years, presents a statement for the business of the twelve months of 1907 that is well in advance of any previous elevation. Without any depreciation of the reports of other banks, it would appear that the Nova Scotia must be accorded a class by itself. This is the comment that is naturally aroused by an institution which shows a ratio of quick assets to public liabilities of 71 per cent., to quote exact figures:

Liabilities to the public	$30,801,632
Quick assets	22,133,744

The quick assets do not include the deposit with the Dominion Government on account of note circulation, $146,813, or current loans secured by bonds and stocks or by grain and other staple commodities which would swell these figures by another $2,244,000—figures which are frequently included in other statements over the line of immediately available assets. The actual cash in specie and legal tenders establishes another high water mark, being over 19 per cent. of the public liabilities and if sterling exchange bills which are the equivalent of immediately realizable cash were added, the percentage would be over 23. Another term of great interest is the comparative figure under the United States reserve law. The Bank of Nova Scotia reserves as against deposits are over 30 per cent., where the legal requirement in the United States for a bank situated in a reserve city is 25 per cent, and in non-reserve cities 15 per cent. These are figures which cause the Canadian to regard with very considerable pride a system which has evolved a bank of this character.

It is natural that a bank report possessing these characteristics must in other respects be on a very high plane. The net profits for the year were the largest in the history of the bank, $681,709, or at the rate of 22.72 on the capital. Last year the percentage on a smaller average capital was a shade higher, 23.90 per cent., but in either case the earnings are of the record order. With such revenues there is ample margin over the 12 per cent. dividend for such items as "transferred to reserve," $150,000, and "written off bank premises," $125,000; for contributions to the officers' pension fund and the Jamaica relief fund, and for a profit and loss credit of $71,164.

In a sense the most gratifying feature of the exhibit is the increase in deposits which have advanced from $25,061,907 in 1906, to $26,999,193, a gain of $1,927,286, or nearly eight per cent., the increase being practically contributed by interest bearing deposits. This is easily the largest percentage of increase reported by any of the long-established banks.

The bank was in a very strongly fortified position at the beginning of this eventful year, and was consequently in a position to employ its resources to great advantage. It was thus enabled to increase its call loans and contribute assistance to the security market, and, at the same time, to lend readily on commercial paper. One achievement it accomplished has been particularly mentioned in the English financial papers, and is in itself a striking example of the superiority of our banking system contrasted with that of the United States. Subsequent to the panic in New York it sent $6,000,000 in gold to assist the needs at the storm centre. On the broad principle it was applying a remedy where the sore in the financial body was most acute and from the individual view point it was accomplishing an exceedingly profitable business transaction of a very clean-cut character.

Other figures might be given, but the previous quotations amply demonstrate most of the salient features of the Bank of Nova Scotia's year.

Two distinctions in its annual report are, however, worthy of special mention. Firstly, the list of investments in bonds, debentures or stocks is given in detail, and it is almost needless to say the valuation is of an extremely conservative character. Secondly, the statement has been audited by two leading chartered accountants from Great Britain, who are experienced in bank auditing, and who have personally checked the cash on hand at the four leading offices and have verified the securities held as investments, either directly or through the deputizing of responsible business men not in the employ of the bank.

It is, therefore, not a matter of surprise with earnings on a higher ratio than any other institution with a reserve 180 per cent. of the capital, and with resources of unequalled amplitude that the shares of the Bank of Nova Scotia should be quoted where they are to-day.

It is not the practice of this paper to indulge in personal encomia, but any comment necessitates in all fairness a tribute to the master mind which has been able to secure such results. The general manager, Mr. H. C. McLeod, has applied from a widely-extended experience to the conduct of the bank the best principles of British and American banking practice, and while following a conservative course, has not hesitated to seize upon opportunities resulting in great benefit to the institution he so ably commands. Suaviter in modo, fortiter in re is a maxim which sums up the ideal of banking practice, and these words can be appropriately written under the signature in the seventy-sixth report of the Bank of Nova Scotia.

CITY OF PETERBORO
DEBENTURES
Official Assessment - - $8,906,307
Net Debenture Debt - $264,744
Population - - - 16,000
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Assignees, Trustees, Executors, Administrators,
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E. F. B. Johnston, K.C. Pres. John J. Gibson, Mgr.

NOTICE
Is hereby given that the Annual General Meeting of the Policyholders and Guarantors of the
NORTH AMERICAN LIFE ASSURANCE COMPANY,
will be held at the Head Office of the Company, North American Life Building, 112-118 King Street West, Toronto, Ont., on
THURSDAY, 30th JANUARY, 1908
at 11 o'clock in the forenoon, for the reception of the Annual Report, a Statement of the Affairs of the Company, the election of Directors and the transaction of all such business as may be done at a general meeting of the company.
Participating Policyholders have one vote in person for each $1,000 of insurance held by them.
L. GOLDMAN,
Managing Director.
January 16th, 1908.

WINNIPEG ELECTRIC RAILWAY.

The Winnipeg Railway shares advanced on Wednesday nearly 7 points. The rise discounts an exceptionally good statement for the year 1907. Whatever ills the northwest may recently have suffered from they have not affected street railway traffic in Winnipeg. The decision of the city not to build a competing power plant at present has removed a depressing factor. With Winnipeg city finances in their present condition inviting resistance from the combined banks it will be many years before this fantastic scheme can be put in operation. It was therefore natural that the Winnipeg Electric shares at the first opportunity should reflect the improved status of the company.

Mount Forest, Ont.—The annual statement for the Town of Mount Forest shows the total receipts to be $101,018.12; total expenditures $100,069.15, leaving a balance of $948.97 in the bank.

THE SITUATION REVIEWED.

(Continued from page 2).

pute over the price of coal. The companies have orders ahead sufficient to warrant the hope that they will not in the near future fall off seriously in production or be forced to lower their prices materially. It is to be borne in mind that there are as yet no sources in Canada from which an adequate supply of pig iron, for the use of the ordinary manufacturer who works in iron can be obtained, although new works have been established at Port Arthur in Ontario, which should materially increase the supply.

Its Future Prospects.

Time will, of course, remedy this, but it may be well to consider what we may hope to accomplish in the not very distant future. In steel and iron in shape to be more or less the raw materials and articles to be manufactured in Canada, such as pig iron, scrap iron, steel ingots, bars, skelp, and also sheet iron and wire, we imported in 1906 $7,358,000, and in 1907 $12,326,000. We should surely hope to make all or almost all of this material in Canada very soon. We imported in structural steel and in rails in 1906 $5,479,000 and in 1907 $7,892,000, and this we should soon make mainly or altogether at home. In machinery and other manufactures of steel and iron we imported in 1906 $16,710,000, in 1907 $21,675,000. Some of these articles we may make before long, but it is not so much in complicated manufactures that we need to succeed early as in staple materials which enter largely into the goods we are already able to make, or might naturally hope to make, at home. The total of the above-mentioned imports of steel and iron in various forms is rather striking: In 1906 $29,547,000, in 1907 $41,893,000.

IN ONTARIO AND QUEBEC.

High Prices Help the Farmer in a Poor Year—The Industrial Reaction.

Agricultural conditions in the different parts of Ontario and Quebec have rarely been so varied and so difficult to describe in the few words at our disposal. The late spring, unfortunately general throughout Canada and indeed throughout a large part of the world, was followed in these provinces by unusually dry weather, and doubt existed at one time or another regarding almost all crops. In the end results were very varied, even in the same districts, and of course, the yield as a whole is much smaller than usual. But in one respect all farmers have benefited alike—the prices of everything produced on the farm have been higher than in the previous year. This factor, as far as many parts of Ontario are concerned, has caused the money result to be not very different from other years. Wheat, no longer a very important crop relatively in these provinces, was quite satisfactory in yield in some parts, but as a rule considerably below the average. Oats, usually reliable, were, because of drought, blight and other causes, a remarkably poor crop. Hay, generally the most valuable crop in Quebec, and very important in Ontario, was very variable in both provinces, because of many features connected with the late spring and lack of rain, and as a whole the yield was unsatisfactory. Where any fair percentage of a normal crop was gathered, high prices have helped the farmer materially in the money result, in many cases leaving him as well off as in other years.

The Lean Pastures.

Those who sold cattle and hogs early did well, but financial conditions in the United States and lower returns from Europe have caused a sharp drop in the prices of both, and those who did not sell are unfortunate for two reasons—they must either hold until spring and pay unusually high prices for feed, or do as many are doing, sell stock at low prices, whether ready for market or not. It is in the dairy department, however, that the effect of the lean pastures shows most clearly. Last year we had to note record results in money from the exports of cheese and butter combined, namely, $26,000,000. This year the total only slightly exceeds $20,000,000, and the loss is mainly in butter. The quantity of cheese is somewhat less than in any year since 1901, but the average price obtained was phenomenally high, and the result in money was only about nine per cent. below 1906. But in butter, what with the actual shortage in make and an extraordinary consumption at home, the exports from Montreal, which for the previous nine years had averaged 413,429 packages, with an average value of $5,537,403, actually fell to 66,773 packages, with a value of $942,000. Although a high price for butter ruled during the year, it is clear that it paid the farmer better to make cheese, and thus almost all the shortage is shown in the one article. It is also to be remembered that the quantity of butter available for export is always small relatively to the total production, so that in a year of lessened production and increased home consumption it is not strange that the surplus has nearly disappeared.

The Industrial Condition.

Until the financial stringency began to have some effect, no diminution in the output of manufactories was visible; indeed, they were doubtless never so busy before. The only evident checks upon the output were difficulty in obtaining labor and raw material, and shortage in car supply. For these reasons most manufacturers were continuously behind in their deliveries, and the refusal of orders because of inability to make more goods was a frequent occurrence. The banker has for some time past been urging a curtailment of output because of world-wide money conditions, and clearly this will now take place. We have not, however, been witnessing an overproduction of goods, indeed, part of the large increase in our imports has been clearly due to the inability of our own manufacturers to cope with the demands of the buyers. With the rapid settlement of our West and with normal crops our purchasing power will, we hope, remain sufficient to keep our manufacturing establishments all employed.

The Mineral Output.

In mining, the Cobalt district is likely to give Canada a definite rank among the silver-producing countries. Of course, the bulk of the world's silver is produced by Mexico and the United States and we cannot hope to reach the rank of these countries. We hold now, however, the fifth place among the silver-producing countries, and a little further development might easily put us in the third or fourth position. The product for 1907 from the Cobalt district is valued at about $6,000,000, against about $5,500,000 altogether for the years 1904-5-6, that is, since the foundation of the camp. Satisfactory development work continues, and many of the mines are working lower levels with success. Much excellent machinery is being installed and very substantial buildings are being erected. Indeed, the camp appears to have settled down to legitimate mining on a comparatively large scale. We have not as yet the figures for 1907, but the total value of minerals of all kinds, metallic and non-metallic, produced in Canada in 1906, was about $80,000,000, a very considerable advance over previous years.

IN THE NORTHWEST.

The Monetary Value of the Crop—The Situation Summed Up.

So much has been written and said about the crop conditions of the Prairie Provinces and these conditions have varied so greatly in different districts and have changed so rapidly from time to time, that it is a relief and a pleasure to be able to report that the money result from all cereals will certainly be about $85,000,000, and will perhaps equal the result from the crop of 1906. Of course, this is due to the high price set against the much smaller quantity and the great loss in grades due to frost. Had the season been a normal one and had prices, which are not appreciably affected by our crop, remained high, our western farmers would have enjoyed a prosperity exceeding anything they have known. Apart from the difficulties of transporting and financing the grain, the unfortunate feature of the crop has been that the results fall so unevenly as to districts. In the main the fair results have been enjoyed by those districts which could have borne poor crops, while the most meagre results have often come to the newest districts. Our estimate of the crop of 1906, which has since been verified by the latest returns of the actual outcome, was 190,000,000 bushels of cereals, as compared with 167,000,000 for 1905. Our estimate for 1907 is 160,000,000, divided as follows:

	Bushels.
Wheat	70,000,000
Oats	75,000,000
Barley	15,000,000

With two years' increase of settlement this is not a good showing, but it is too slight a falling off to distress anyone living in the west. The average yield per acre is, of course, low: Wheat 14 bushels, oats 33 and barley 25. About half of the wheat will grade as fit for milling—No. 4 or better. Oats suffered more from frost than wheat, and about two-thirds of the crop is of the lower grades.

Marketing the Crop.

Apart from the peculiarities of the crop of 1907, the difficulties of marketing the crop have been so pronounced and have caused so much discussion in the newspapers, that it may be well to refer frankly to some of them. The farmers blame the grain dealers as to price, both farmers and dealers blame the railroads as to car supply, and for the first time in the history of the Northwest the banks have found it difficult, because of the many demands by borrowers, to release the money necessary to carry the grain to market. One might think from some recent criticisms that these difficulties had never been heard of before, whereas they have accompanied the marketing of grain and cotton in the United States, from time to time, through the entire history of its settlement. We have been proceeding upon the assumption that the railroads can carry to the point of lake navigation all the grain the farmers choose to market in the few weeks between threshing and the close of lake traffic, and that the banks can not only take care of this, but also find the money for the entire balance of the crop as the farmer chooses to sell it during the winter and await the liquidation of such advances in the late spring or early summer. Now we may as well recognize the fact that when the crop is materially larger both of these things will be impossible, even with an ordinary money market. The grain and cotton crops of the United States have been moved largely by European credits in addition to local loans, and this has been a sound system financially, because ultimately sufficient grain or cotton goes forward to Europe to liquidate such credits. Of late years in the United States dealers have been able to move the grain crops without much outside assistance, but not the cotton crop, and this is really because the point of consumption for most of the grain is now at home and not in Europe, while a great part of the cotton crop is still sold in Europe. We are a young country, with little accumulated capital relatively to our wants, and, like the United States of twenty or thirty years ago, we must use the credit of Europe to some extent for our grain carrying, redeeming such obligations as the grain goes forward.

The Banks and Crop Movement.

Now, the reason why it has been feasible for the United States to borrow quite readily very large sums of money against grain in store, is because for the last thirty years or more everything possible has been done at such places as Chicago and Minneapolis to assure the lender that he had grain of a certain grade in the hands of a terminal warehouse the owner or officers of which could have no object and, because of weighing and inspecting supervised by the State, no power to dispose of the grain except in accordance with the State-countersigned receipts. The banking and elevator interests of Winnipeg have been steadily endeavoring to improve the conditions surrounding terminal receipts in Canada, and the system at present in use will give any foreign, as well as any domestic, banker a most perfect form of security.

Grain Act Unsatisfactory.

Winnipeg holds the second place in America in the volume of grain trading, and everything which can be done to make this great department of our commerce work satisfactorily should have the patient consideration of all concerned. There seems to be little doubt that many of the provisions of the Dominion Act, known as the Manitoba Grain Act, are unsatisfactory to the farmers, the railway companies, the elevator companies and the banks. Designed originally, no doubt, to protect the farmer, it can be so made use of by dishonest people as to cause to others serious delays in transportation and losses in money, and in the final result it must hurt many more farmers than it benefits. So long as it is possible for hundreds of orders for single cars to be placed in the names of people who have actually no grain to ship, it cannot be also possible for the elevator companies to get cars to ship grain with reasonable promptitude, or to place the blame for lack of cars with any precision upon the railroad companies. It seems clear that the Act should be entirely reconsidered and amended before we enter upon another season.

Cattle Raising Advised.

In the cattle business the striking feature, of course, was the very heavy losses on the ranges caused by the severe winter. It will doubtless take two or three years for the stock of cattle, horses and sheep on the ranges to get back to a normal condition. Meantime prices are likely to be good, even though dear money and lack of cars may affect the situation for the moment. The fact that several shipments of Alberta cattle have been made to Chicago via Montana with highly satisfactory results, shows the natural widening of the market co-incident with the decline in the supply. It is to be hoped that the farmers of the three provinces will now be firmly impressed with the wisdom of breeding cattle, horses, sheep and pigs to an extent not attempted heretofore. Not only does the lessening for the time being of the number of cattle on the ranges seem to assure the farmer of good prices for some time to come, but his experience with his grain crops in 1907 has proved once more that he can get the best value out of damaged wheat and oats, and when prices happen to be low, out of any grain, by feeding it to his own stock. Wherever dairying has been developed this is abundantly clear, and we are glad to know that in many parts, particularly in Alberta, where mixed farming is more general, the farmer is able himself to use profitably all his damaged grain crops.

The Situation Reviewed.

It would also be well if the farmers of these provinces would consider the value of raising their own poultry. The money paid out by the farmer who grows grain alone, for many of the necessaries of life which he could produce on his own farm, such as butter, eggs, poultry and pork, may seem, when he is prosperous, a small matter; but prosperous or not the loss to his province is very serious, and sooner or later it may be serious to him individually.

Immigration in the West.

While it is not practicable to ascertain how many new settlers entered the Prairie Provinces, the immigration into all Canada for 1907, with the last month or so estimated, is about 280,000, of which about 210,000 are English-speaking people. This is a large gain over 1906, and whether immigration is now to be checked or not, the settlers of the last few years in the Northwest will largely aid the future prosperity of Canada after they get through their first few years of pioneering. Land sales and homestead entries are, of course, somewhat less in number, but the average price for land sold is slightly higher than in 1906, and we must remember that if the opportunity for labor in other fields declines for a time throughout the world, many will, as in similar past experiences, go back to the land. Any decline in homesteading is partly due to the increasing difficulty of getting land near to railroads; indeed, it is surprising how far settlers are willing to go, counting upon the railroad coming to them in the near future. Prospectors are even going into the Peace River country, and before long it will be difficult to avoid opening it up for active settlement.

The Situation Summed Up.

After several years of abundant crops, we have to record a year in which in several parts of the Northwest the farmers' results are quite unsatisfactory, but, as a whole, the country will receive a very large sum for its products, and the general result to the three provinces will still represent prosperity, although on a diminished scale. Expansion for the moment will be checked, extravagance in expenditure, even where there is no actual diminution of income, will be changed to economy, stocks of goods will be lessened instead of persistently increased, and generally we shall have a time of debt paying instead of debt creating.

BRITISH COLUMBIA.

Prosperity on the Coast—The Crop, Mineral.

The year in British Columbia has been prosperous, and the most prominent industries in the province, while all more or less affected by the stringency in money, are as full of promise as ever. The lumber business was impeded, first by a great difficulty in obtaining cars, and later by the general check to sales incident to the crop situation and the money market. This will, as elsewhere largely lessen the cut of logs for the moment; but taking this into consideration, and having regard to the very large requirements which in any event must be supplied, stocks in the yards are not likely to remain excessive, and if the result is to bring down the cost of operations, the check will have been a benefit to the situation as a whole.

In coal mining we see enlargement of output and opening of new areas, not only in the coast and inland districts of British Columbia, but in the prairie provinces. For smelting, to operate railway trains, for domestic and power purposes and for export coal is wanted in an increasing quantity, and so long as capital is difficult to obtain it is not likely that production will run ahead of consumption, unless very temporarily.

Copper Can Be Produced.

Copper mining and smelting is now firmly established on a large scale as one of the great industries of the province, yet but a small part of the known area awaiting the advent of capital is being worked. At the recent high prices the business was very profitable, but the sensational drop in price has caused an adjustment of wages, which, because of the large profits, had been upon an unusually high scale. The great underlying fact, however, is that copper can be produced here at a profit even should most of the world's mines have to shut down. The smelting, coal mining and railroad businesses are intimately connected, and have been growing so fast that they have shown a frequent tendency to get out of line through shortage of cars and coke supply, or strikes and general labor troubles. The volume of smelting should have greatly increased over 1906, but because of lack of coal supply and of cars it remained stationary.

Fruit growing and fruit tree planting in anticipation of fruit growing a few years hence, are making great strides in many parts of British Columbia, and vegetable growing and ordinary agriculture are showing a gratifying increase. The present volume of production is small, the future, however, must be large, and financial success, as we have said before, will depend on reasonably cheap labor.

The year in salmon fishing was bound under the curious conditions of the Fraser River, to be a lean one, and the number of cases packed fell even slightly below 1903, the year with which it should be compared. In the northern rivers the fishing was very satisfactory and profitable; on the Fraser it was quite the reverse. Some of our packers have gone largely into the halibut business, but freight conditions need some adjustment before we can compete successfully with the United States fish companies, who are making large catches under conditions which amount to trespassing on the rights of Canadians. The whole fish industry is of the greatest importance to the province, and it should receive from the governments concerned the most serious and unbiassed consideration.

Vancouver's Future.

The most noticeable features in the development of British Columbia during the past year have been the extensive purchases of timber bearing lands, chiefly by Americans, in connection with which very large sums of money have been distributed to previous owners; the increase in the value of the land and the rapid settlement for agricultural and fruit growing purposes of the Fraser River country, the Okanagan valley and other parts of the province; the enlargement of the output and the opening of new areas of coal, and the great growth of Vancouver and of many of the towns throughout the province. In population, building operations, bank clearings and custom house returns Vancouver shows an extraordinary growth, even when compared with other Canadian cities. Doubtless it will now submit to some check, in common with other places, and some sign of this is already apparent in the price of city real estate and in the trade outlook, but the future of the city as one of the most important in Canada seems assured.

BANK NOTES.

The Bank of Montreal announces the following changes in its staff: Mr. R. VonIffland, accountant at Regina, to be accountant at Almonte; Mr. R. A. Wood, of Winnipeg branch, to be acting accountant at New Denver; Mr. F. C. Cummins, accountant at Spokane, to be accountant at Regina; Mr. J. E. Cornwall, accountant at New Denver, to be accountant at Spokane.

The Royal Bank has made the following appointments: Mr. G. S. Moore, manager at Amherst, N.S., to be manager at Welland, Ont.; Mr. G. R. Chisholm, manager at Pictou, to be manager at Amherst; Mr. A. E. Brock has been appointed manager at Pictou; Mr. R. E. Smith, accountant at St. John, N.B., to be manager at north end branch, St. John; Mr. P. G. Hall, manager at north end branch, St. John, to be manager at Bridgewater.

Mr. H. C. McLeod, general manager of the Bank of Nova Scotia, left this week for Halifax, to attend the annual meeting on Wednesday, after which he will proceed to Kingston, Jamaica, where the bank is erecting a handsome new building.

Illustrative of the growth of a Canadian institution is the Royal Bank's earnings. It seems hardly credible that in 1900 they should have been only $172,000, where to-day they stand at $742,000.

BOND DEPARTMENT

It you wish to keep in touch with the municipal bond market watch this department. It seeks to be very accurately compiled and convenient. The Financial Post makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of any contemplated bond issues.

Brandon, Man. Notice has been given of a by-law to authorize the borrowing of $45,000 from the Merchants Bank of Canada, to meet the current expenses of 1908.

Goderich, Ont. The by-law to grant the Doty Engine Works a loan of $35,000 has been carried.

Guelph, Ont. A by-law to remodel the waterworks at a cost of $125,000 has been carried. The Niagara power by-law was also carried.

Lethbridge, Alta. The city is offering debentures amounting to $63,004.75.

London, Ont. The following by-laws have been carried: $6,000 for the building of a hospital for consumptives; $235,000 for Niagara power distribution plant; $19,000 for the erection of fire halls in north and east ends. The proposition to spend $393,500 on waterworks extension, Komoka scheme, was defeated.

The board of education will likely ask from $4,000 to $5,000 per annum, for the education of county children at the collegiate, from the county.

Meaford, Ont. The following by-laws have been carried: To build a $15,000 town hall and to grant Seaman, Kent & Co. a $10,000 bonus.

Medicine Hat, Alta. Tenders will be received by E. Roberts, secretary-treasurer for the town, up to Friday, Jan. 31, for the purchase of a $10,000, 5 per cent. debenture for school purposes.

New Westminster, B.C. A by-law in connection with the waterworks has passed the city council. This by-law proposes to raise $619,000 for improving the water supply.

North Vancouver, B.C. A by-law to raise $175,000 for the purpose of acquiring the property and assets of the North Vancouver Ferry & Power Company, Ltd., by issuing 5 per cent., 50 years debentures, was voted on by the ratepayers on Jan. [illegible]. Result, not carried.

The financial statement for the town for 1907 is as follows: Receipts, $54,092.43; expenditure, $53,790.29; cash on hand, $302.14; total assets, $263,200.66; liabilities, $263,220.66. Thos. Shepherd, town clerk.

Notre Dame de Grace, Que. On Jan. 23, the council will submit to the ratepayers for approval, a by-law to issue $275,000 4½ per cent. debentures to purchase the Leduc farm, part of which is to be used for a park and the rest to be sold for building lots, also to construct drains and sidewalks and to widen and macadamize Sherbrooke St.

Oak Bay, B.C. On Jan. 18 the ratepayers will vote upon a by-law to purchase land for the continuation of Hampshire Road, by issuing $1,250 6 per cent. 15 year debentures. J. S. Floyd, clerk.

Oshawa, Ont. The town is offering $5,600 5 per cent. 30 year local improvement debentures for sale. Thos. Morris, town clerk.

Smith's Falls, Ont. During the past year $31,508 has been issued in debentures; $29,153 has been sold, leaving a balance of $2,355 yet to sell. $9,000 are yet to be issued. A by-law for $6,800 which has been voted on, $1,500 for house sewer connections and $1,000 for the George Street sewer.

Waterloo, Ont. A by-law to raise $10,000 for a new gas holder and other improvements has been carried.

CHARTERED ACCOUNTANTS.

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Commercial and Municipal
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17 and 18 SOVEREIGN BANK BUILDINGS, MONTREAL

Professional Directory

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A. E. Neff & Co.	26 Wellington E.
Geo. O. Merson & Co.	16 King St. W.
Ralph E. Young.	Canada Life Bldg.

MONTREAL.

Robert Miller.	Sovereign Bk. Bldg.
Shannon & Mundell	107 St. James St.

WINNIPEG.

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Detective Agencies

TORONTO.

Tor. Detective Agency. 36 Toronto St.

THIRTY-EIGHTH ANNUAL STATEMENT

—OF—

The Royal Bank of Canada

LIABILITIES

	Dec. 31, 1906.	Dec. 31, 1907.
To the Public:		
Deposits bearing Interest	$17,407,740 29	$20,216,479 53
Deposits not bearing Interest	14,957,805 76	12,989,309 56
Interest accrued on Deposits	99,139 53	59,709 11
Total Deposits	$32,464,685 58	$33,265,498 20
Notes of the Bank in Circulation	3,780,348 15	3,653,910 65
Balances due to other Banks in Canada	74,888 06	156,508 45
Balances to Agents in Great Britain		193,897 06
Balances due to Agencies of the Bank in other Banks in Foreign Countries	571,942 43	436,961 62
	$36,891,864 22	$37,706,775 98
To the Shareholders:		
Capital Paid Up	3,900,000 00	3,900,000 00
Reserve Fund	4,390,000 00	4,390,000 00
Dividend No. 77 (quarterly at 10 per cent.)	95,386 00	
Dividend No. 81 (quarterly at 10 per cent.), payable January 2, 1908		97,500 00
Former Dividends unclaimed	391 39	312 61
Rebate on Bills Discounted, not yet due	85,000 00	100,000 00
Balance of Profits carried forward	74,875 37	156,909 76
	$45,437,516 98	$46,351,498 35

ASSETS

	Dec. 31, 1906.	Dec. 31, 1907.
Gold and Silver Coin	$2,530,063 15	$2,514,350 84
Dominion and Government Notes	2,199,482 25	2,990,185 75
Deposit with Dominion Government for Security of Note Circulation	143,000 00	180,000 00
Notes of and Cheques on other Banks	2,433,986 00	2,285,589 00
Balances due from other Banks in Canada	278,482 62	64,304 52
Balances due from Agents in Great Britain	569,862 94	
Balances due from Agencies of the Bank and other Banks in Foreign Countries	1,160,705 20	772,075 15
British Consols (present holding £300,000 at 80)	1,168,000 00	1,168,000 00
Other Government and Municipal Securities	2,473,921 92	2,314,695 45
Railway and other Bonds, Debentures and Stocks	3,011,204 81	3,365,048 88
Call and Short Loans on Stocks and Bonds	5,609,388 19	3,916,543 97
	$21,578,097 08	$19,570,793 56
Loans to Provincial Governments	$ 22,474 95	$ 18,373 75
Current Loans and Discounts	23,033,061 17	25,862,931 29
Overdue Debts (Loss provided for)	3,996 01	17,713 13
Bank Premises	789,887 77	881,686 62
Safes and Office Furniture	10,000 00	
	$45,437,516 98	$46,351,498 35

PROFIT AND LOSS ACCOUNT

By Net Profits for the Year, after deducting Charges of Management, General Bonus of 10 per cent. to Staff, Accrued Interest on Deposits, Full Provision for all Bad and Doubtful Debts, and Rebate of Interest on Unmatured Bills	$742,034 39	
By Balance of Profit and Loss Account, December 31, 1906	74,875 37	$816,909 76
Appropriated as follows:		
To Dividend (10 per cent.)	$390,000 00	
To Transferred to Officers' Pension Fund	20,000 00	
To Written Off Bank Premises Account	250,000 00	
To Balance of Profit and Loss carried forward	156,909 76	816,909 76

EDSON L. PEASE,
General Manager.

TORONTO & YORK RADIAL RAILWAY COMPANY,
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FIRST MORTGAGE BONDS

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Capital Paid Up 700,000
Reserve Fund 700,000
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C. R. Hosmer, Sir R. G. Reid
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B. C. PACKERS' ASSOCIATION.

A dividend of 3½ per cent. has been declared on British Columbia Packers' Association preferred stock, for the period from Nov. 20, 1905, to May 20, 1906. The dividend is payable Feb. 28 to holders of record Jan. 17. The last previous dividend was of 3½ per cent. in April last year for the period from May 20, 1905, to Nov. 20, 1905. The present dividend makes 24½ per cent. of back dividends paid up.

RAILWAY AND RAILROAD BONDS
We offer bonds of a large transcontinental railroad with a bonus of preferred and common stock.
Warden & Francis
Toronto

The Canadian Bank of Commerce

REPORT OF THE PROCEEDINGS

— OF —

The Annual Meeting of Shareholders

Tuesday, 14th January, 1908

The forty-first Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 14th January, 1908, at 12 o'clock.

The president, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. C. S. Gzowski and A. J. Glazebrook were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors beg to present to the Shareholders the forty-first Annual Report, covering the year ending 30th November, 1907, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account brought forward from last year was	$ 103,562 43
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to	1,752,349 67
	$1,855,912 10
Which has been appropriated as follows:—	
Dividends Nos. 80, 81, 82 and 83, at Eight per cent. per annum	$ 800 000 00
Written off Bank Premises	350,000 00
Transferred to Pension Fund (annual contribution)	30,000 00
Balance carried forward	675,912 10
	$1,855,912 10

All the assets of the Bank have been, as usual, carefully revalued and all bad and doubtful debts amply provided for.

Your Directors have the pleasure of reporting the most satisfactory earnings in the history of the Bank, amounting to $1,752,349.67. After providing for four quarterly dividends at the rate of eight per cent. per annum and for the annual contribution to the Pension Fund, we have been able to write $350,000 off Bank Premises Account and have carried forward at the credit of Profit and Loss Account the sum of $675,912.10.

During the year the Bank has opened new branches at the following points; in British Columbia, at Creston, Mission City and Prince Rupert; in Alberta, at Hardisty; in Saskatchewan, at Drinkwater, Lanigan and Nokomis; in Manitoba, at Durban and Kenville. The Branch at Atlin, B.C., has been closed.

In accordance with our customary practice, the branches and agencies of the Bank in Canada, the United States and Great Britain, and the various departments of the Head Office, have all been thoroughly inspected during the year.

The Directors have again pleasure in recording their appreciation of the efficiency and zeal with which the officers of the Bank have performed their respective duties.

B. E. WALKER,
President.

Toronto, 14th January, 1908.

GENERAL STATEMENT

30th November, 1907.

LIABILITIES.

Notes of the Bank in circulation		$ 9,235,769 68
Deposits not bearing interest	$20,951,271 35	
Deposits bearing interest, including interest accrued to date	66,089,786 15	
		87,041,057 50
Balances due to other Banks in Canada		155,499 78
Balances due to other Banks in foreign countries		1,373,791 12
Dividends unpaid		1,508 44
Dividend No. 83, payable 1st December		200,000 00
Capital paid up	$10,000 000 00	
Rest	5,000,000 00	
Balance of Profit and Loss Account carried forward	675,912 10	
		15,675,912 10
		$113,683,538 62

ASSETS.

Coin and Bullion	$5,663,047 48	
Dominion Notes	5,390,372 25	
		$ 11,053,419 73
Deposit with Dominion Government for security of Note Circulation		450,000 00
Notes of and Cheques on other Banks		3,730,479 42
Balances due by other Banks in Canada		9.362 52
Balances due by Agents of the Bank in the United Kingdom		51,121 88
Balances due by Agents of the Bank and other Banks in foreign countries		2 878.820 77
Government Bonds, Municipal and other Securities		4.874,681 86
Call and Short Loans		12,695,557 30
		$35,743,443 48
Other Current Loans and Discounts		76,073,271 90
Overdue Debts (loss fully provided for)		109,867 32
Real Estate (other than Bank Premises)		64,082 58
Mortgages		34,248 58
Bank Premises		1,412,935 26
Other Assets		245,689 50
		$113,683,538 62

ALEX. LAIRD,
General Manager.

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Canadian Bank of Commerce — (Continued)

The General Manager then spoke as follows:

GENERAL MANAGER'S ADDRESS

We have come to the close of a year unprecedented in the history of financial stringency, and as it was world-wide in effect we in Canada have not escaped from the results of our own great expansion in trade, and the inevitable contraction of credit which comes as a check in the midst of prosperity throughout the country. Notwithstanding the unfavorable events of the year, the statements of the Bank which we have pleasure in submitting are the best in its history. It is needless to say that with the present outlook we must again repeat the warning to you not to expect a repetition of such large profits. The check upon the volume of business has been later in coming than some of us expected, but it has now actually come, and with a disposition on the part of the public towards the liquidation rather than the creation of debt, the volume of banking business must decline and profits be correspondingly affected.

The net profits for the year amount to over 17½ per cent. on the capital of the Bank and exceed those of last year by $11,224. We have during the year paid four quarterly dividends of 2 per cent., or at the rate of 8 per cent. per annum, and after devoting the large sum of $350,000 to expenditures on Bank Premises, and making the usual provision for the Pension Fund, we have carried forward a balance of $675,912.10 at credit of Profit and Loss Account. Now that the Rest of the Bank equals the sum of fifty per cent. of the paid-up capital, our recommendation will be that transfers to that account be made in even millions and that in the meantime the unappropriated profits should be carried forward at the credit of Profit and Loss Account.

Our deposits during the year show a small decrease, namely, $111,000 The decrease is altogether in deposits not bearing interest, which are composed of the fluctuating balances of various business communities and are, therefore, in the nature of things subject to rapid changes. A year ago we pointed out that some of the deposits then held were of a temporary character, and we deem it proper to say that at the close of this year also a considerable amount came under this category. In common with other banking institutions, a real shrinkage in deposits will probably result through withdrawals of money which but for the present emergencies of trade would remain with us. On the other hand our deposits bearing interest, being those of a more stable character, have increased during the year $1,564,000.

The administration of the affairs of the Bank during the past year was fraught with unusual difficulties, but we look forward with the confident expectation that with our organization we shall be able to conserve and maintain a high standard of efficiency in the management of the great interests committed to our care.

The motion for the adoption of the report was then put and carried.

A by-law increasing the authorized capital stock of the Bank from Ten Million Dollars to Fifteen Million Dollars was then passed; and the usual resolutions expressing the thanks of the shareholders to the President, Vice-President and Directors, and also to the General Manager, Superintendent of Branches and other officers of the Bank, were unanimously carried. Upon motion the meeting proceeded to elect Directors for the coming year.

The meeting then adjourned.

The scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year:

B. E. WALKER,
ROBERT KILGOUR,
HON. GEO. A. COX,
M. LEGGAT,
JAMES CRATHERN,
JOHN HOSKIN, K.C., LL.D.,
J. W. FLAVELLE,
A. KINGMAN,
HON. L. MELVIN JONES,
FREDERIC NICHOLLS,
H. D. WARREN,
HON. W. C. EDWARDS,
Z. A. LASH, K.C.,
E. R. WOOD.

At a meeting of the newly-elected Board of Directors held subsequently, Mr. B. E. Walker was re-elected President and Mr. Robert Kilgour Vice-President.

Canadian Stocks

Quotations of Securities listed on the Montreal and Toronto Stock Exchanges, with prices at closing on Friday of each week. In stocks listed on both Exchanges, prices quoted are those of the market in which a stock is the more active.

Active Stocks

Par Value	Outstanding Common Stock	Reserve Fund	Profit and Loss		Last Dividend Date	Per cent.	STOCK	Range for year 1906 High	Low.	Range for year, 1907 High	Date	Low	Date	Closing one year ago, Jan. 17. Ask	Bid	Friday, Jan. 17. Ask	Bid	Range for week ending Jan. 16, in market of activity First	High	Low	Last	Sales
							BANKS															
50	10,000,000	5,000,000	675,912	......	1st Dec.	q. 2	Commerce	190½	169½	180	Jan.	153	Nov.	182	....	162	......	°163	°163	°162	162	6
50	3,848,597	4,833,457	235,140	......	1st Jan.	q. 3	Dominion	283	262½	267	Jan.	215¾	Nov.	....	265½	222	......	°219¾	220¼	219¾	220¼	315
100	2,470,360	2,470,360	......	......	1st Dec.	q. 2½	Hamilton	233	210	217	Jan.	180	Nov.	220	....	......	190	......	......	......	......	......
100	4,867,880	4,867,880	624,474	......	1st Nov.	q. 2¾	Imperial	254½	225	230	Jan.	195	Nov.	230	....	......	*	°215	218	216	216	44
100	6,000,000	4,000,000	267,400	......	1st Dec.	q. 2	Merchants	176	160½	170	Jan.	150	Dec.	169	168	......	155	157½	157½	157½	157½	18
100	1,000,000	1,000,000	241,532	......	1st Jan.	q. 2	Metropolitan	202⅛	192	192½	Mar.	192	Mar.	....	192	......	......	......	......	......	......	......
100	3,371,980	3,371,980	53,688	......	1st Jan.	q. 2½	Molsons	230	204½	215½	Jan.	183	Nov.	220	....	200	197½	199	199	198	198	20
100	14,400,000	11,000,000	699,970	......	1st Dec.	q. 2½	Montreal	261	252¼	257	Jan.	225	Oct.	....	256	......	237	236	237	236	237	46
100	3,000,000	5,400,000	71,164	......	1st Jan.	q. 3	Nova Scotia	297½	273	293	Jan.	274	Sept.	....	....	......	273	274¾	274¾	274¾	274¾	5
100	3,000,000	3,000,000	327,832	......	1st Dec.	q. 2½	Ottawa	233	222	226¾	Feb.	212	Sept.	226	....	......	......	......	......	......	......	......
100	2,500,000	1,250,000	70,843	......	1st Dec.	q. 1¾	Quebec	145	139½	145	Mar.	119	Dec.	140	135	122	......	120	120	120	120	98
100	3,900,000	4,390,000	156,910	......	1st Jan.	q. 2½	Royal	247½	222	242	Jan.	218	Dec.	*250	....	......	218	218¼	220	218¼	220	9
100	3,000,000	......	25,252	......	16th Nov.	q. 1½	Sovereign	155¼	133	118	July	95	June	....	....	100	......	100½	100½	99½	100	38¼
50	1,559,675	1,659,675	105,529	......	1st Dec.	q. 3	Standard	250¼	223	230¼	Feb.	210	Dec.	230	....	......	......	......	......	......	......	......
100	4,000,000	4,500,000	150,709	......	1st Dec.	q. 2½	Toronto	251	222	235¼	Jan.	200	Nov.	235	....	......	205	206	206	206	206	13
100	4,352,310	2,000,000	25,364	......	1st Jan.	q. 1¾	Traders	155	138½	140	Jan.	123	Nov.	....	....	......	123	125¾	126	124½	°124¼	78
100	3,136,100	1,700,000	62,213	......	1st Dec.	q. 1¾	Union	158	143¼	152	Jan.	125	Oct.	155	....	......	......	......	......	......	......	......

Par Value	Outstanding Common Stock	Outstanding Preferred	Bonds	Reserve Funds Profit and Loss	Last Dividend Date	Per cent.	STOCK	Range for year 1906 High	Low.	Range for year, 1907 High	Date	Low	Date	Closing one year ago, Jan. 17. Ask	Bid	Friday, Jan. 17. Ask	Bid	Range for week ending Jan. 16 First	High	Low	Last	Sales
							TRANSPORTATION															
100	121,680,000	149,982,076	40,238,086	......	1st Oct.	s. 3½	Canadian Pacific Railway	201	155¾	195⅛	Jan.	140	Nov.	189½	189⅜	......	*150¼	158¼	158¼	*151⅜	*151⅞	237
100	12,500,000	......	21,162,000	1,546,272	Passed		Detroit United	102	79¼	84½	Jan.	28½	Oct.	....	....	38¾	38½	39	°40	39	39	1,210
100	12,000,000	10,000,000	20,000,000	......	......		Duluth	21	16¾	14	May	6¾	Oct.	....	....	......	......	......	......	......	......	......
100	1,350,000	......	600,000	252,053	1st Jan.	q. 1½	Halifax Electric	108	100	104½	Jan.	87¼	Nov.	....	....	......	96	100	100	°99	°99	20
100	7,500,000	......	8,311,561	......	......		Havana Electric	50	35	45¼	Feb.	21	Nov.	....	46½	......	......	......	......	......	......	......
100	......	5,000,000	......	......	15th Oct.	q. 1	Havana Electric. preferred	97⅞	79	86	Jan.	68	Oct.	86	84	......	......	75	75	75	75	68
100	6,395,500	3,274,300	20,030,500	......	1st Jan.	q. 1½	Illinois Traction, preferred	101½	88½	94¼	Feb.	70¼	Nov.	94	92	82	80	80¼	82	80¼	81½	146
100	6,000,000	......	7,500,000	......	......		Mexico Tramway Co.	......	......	61	July	57	Jan.	....	....	......	......	......	......	......	......	......
100	14,000,000	7,000,000	53,615,000	6,183,096	15th Oct	s. 2	Minn., St. P. and Sault Ste. Marie	......	......	136¾	Jan.	65	Oct.	135	*130	91	......	92⅛	95	92	92½	685
100	9,000,000	......	11,395,958	816,769	1st Nov.	q. 2½	Montreal Street	284	211	239	Jan.	157	Oct.	226	223½	180	178¾	188½	189	177½	178¾	850
100	840,000	......	......	87,100	19th Jan.	a. 6+1½	Northern Navigation	110¼	80½	104	Jan.	79¾	Nov.	100	*	......	......	93	94	93	94	12
100	7,938,900	......	10,385,000	......	15th Dec.	q. ½	Northern Ohio Traction	33¼	27	30⅝	Jan.	20	Oct.	31	29	......	20½	20½	20½	20½	20½	27
100	3,132,000	......	323,146	362,500	1st Dec.	q. 1¼	Richelieu and Ontario	88¼	69¾	82⅞	Jan.	48½	Nov.	83	82	66	65	65¾	66	64½	65	265
100	21,993,900	......	23,284,000	......	......		Rio de Janeiro	48	38½	48¼	Jan.	26¾	Oct.	48	47¼	31	30	37	37¼	33½	33½	945
100	751,000	......	......	101,968	1st Jan.	a. 10	St. Lawrence & Chi. Steam Nav. Co.	148	120	127½	Sept.	°116	*Dec.	130	....	......	......	114½	114½	113	113	46
100	8,500,000	......	6,000,000	1,785,718	1st Jan.	q. 2¼	Sao Paulo	146	125	138¼	Jan.	94	Oct.	....	....	113½	113⅛	116¼	119½	116	116	1,369
100	12,000,000	......	10,866,000	......	Passed		Toledo Railway	36¼	25	29⅝	Jan.	9	Oct.	28⅝	28¼	12¾	12½	10½	12¾	10½	12¾	211
100	8,000,000	......	3,613,373	2,130,708	1st Jan.	q. 1½	Toronto Railway	126	112	115½	Jan.	82¾	Nov.	115	113	96	95¾	98	°99½	95½	95½	542
100	9,000,000	2,600,000	6,993,000	......	1st Jan.	q. 1½	Tri-City, preferred	95	88½	90½	Jan.	80	Aug.	96	*90	......	......	73	73	73	73	83
100	1,164,000	......	720,000	124,781	10th Oct.	q. 1¼	Trinidad Electric	92	80	78½	April	70	April	....	....	......	......	......	......	......	......	......
100	20,100,000	3,000,000	16,546,000	1,281,348	15th Nov.	q. 1¼	Twin City	122¼	102½	108½	Jan.	69¼	Nov.	105	103½	......	85¾	87	88	86½	86½	1,088
100	4,500,000	......	5,000,000	908,688	1st Jan.	q. 2	Winnipeg Electric	190	160	186	Feb.	119½	Nov.	180	176	......	130	124⅞	132	124⅞	132	749
							TELEGRAPH, LIGHT AND POWER															
100	11,875,000	......	3,363,000	3,849,846	15th Oct.	q. 2	Bell Telephone	158¾	145	145	Jan.	115	Nov.	143	....	......	......	130	131	130	130	171
50	2,794,700	......	......	2,231,991	1st Nov	q. 2½	Consumers Gas	209	200	206	Jan.	182	Dec.	206	205½	......	*185	183	184½	183	184½	117
100	41,380,400	......	......	......	1st Jan.	q. 1	Mackay, common	77⅛	57⅞	75⅛	Jan.	41	Oct.	74	73⅜	57¾	57	60	60	58¾	59	2,086
100	......	50,000,000	......	727,547	1st Jan.	q. 1	Mackay, preferred	76⅛	68	71½	Jan.	49½	Oct.	71	70¼	63	62	63½	65	63	63	432
100	13,585,000	......	12,000,000	1,050,428	......		Mexican Light and Power Co. com.	70	47½	57½	Feb.	35	Nov.	55	54⅛	48	47¾	50	50¼	48½	48½	1,149
100	17,000,000	......	8,877,000	1,201,158	15th Nov.	q. 1½	Montreal Power	99½	86	96½	July	79	Oct.	92½	92	88	87¼	87	88¼	86	86	1,844
100	3,300,000	......	1,000,000	518,057	1st Jan.	q. 2	Toronto Electric Light	171	152	160	Jan.	110	Oct.	....	158	......	......	......	......	......	......	......
							INDUSTRIALS AND MISCELLANEOUS															
100	4,700,000	2,000,000	......	1,969,354	1st Jan.	q. 2½	Canadian General Electric	155	130	136½	Jan.	77¾	Nov.	136	....	......	94½	102¼	103	96	97	638
100	20,000,000	5,000,000	9,375,500	......	......		Dominion Steel, common	34¼	20½	25	Jan.	12½	Oct.	24½	24	15⅝	15½	15¾	17⅛	14	16	8,560
100	5,000,000	......	......	......	......		Dominion Steel, preferred	83½	60	66½	Jan.	36	Nov.	64½	64	52	51	50	54	44	51½	1,039
100	15,000,000	......	5,612,164	1,825,940	1st Jan.	q. 1	Dominion Coal	84½	58	70¼	Mar.	37	Nov.	63¾	63	39	38½	43	43½	40½	40½	375
100	......	3,000,000	......	......	1st Aug.	s. 3½	Dominion Coal, preferred	122	112	112	Feb.	85	Nov.	....	....	......	......	°92	°92	90	90	86
100	5,000,000	1,858,088	6,978,576	1,394,000	1st Jan.	q. 1¼	Dominion Textile, common	......	......	47	Oct.	42	Aug.	....	....	44	......	......	......	......	......	......
100	5,000,000	1,858,088	6,978,576	1,394,000	15th Oct.	q. 1¾	Dominion Textile, preferred	109¾	95¼	*99	Jan.	75	Nov.	100½	98	......	78½	80	80	79	80	155
100	2,000,000	......	1,000,000	835,345	7th Oct.	s. 3	Lake of Woods Milling	100	89	90	Feb.	65	Aug.	96	....	79	78	78	80	78	79¾	391
100	......	1,500,000	......	......	2nd Dec.	q. 1¾	Lake of Woods Milling, preferred	115	108	112	Feb.	99¼	Nov.	....	*108½	......	......	105	105½	105	105½	20
100	700,000	......	......	227,417	8th July	int. 2½	Montreal Steel	114	97	98½	Feb.	75	Dec.	*100⅛	98½	......	......	80	80	80	80	9
100	......	800,000	......	......	8th Jan.	q. 1¾	Montreal Steel, preferred	115	106	106	May	92	Nov.	....	....	......	......	93	93	93	93	37
5	6,000,000	......	......	15,577	20th Oct.	q. 3	a Nipissing Mines Co.	......	......	15	Jan.	5½	Nov.	....	....	......	*7	7	7¼	7	7¼	742
100	4,987,600	......	3,752,000	2,617,051	15th Oct.	q. 1½	Nova Scotia Steel, common	74½	60	79	Feb.	45	Oct.	72	70½	60½	59	60	62	60	61	6,464
100	......	1,030,000	......	......	15th Oct,	q. 2	Nova Scotia Steel, preferred	125	118	*120	Jan	106	Nov.	....	....	......	......	109½	110	109½	110	36
100	1,250,000	......	1,000,000	1,498,807	Sept.	a. 7	Ogilvie Flour	......	......	......	......	......	......	....	....	......	250	......	......	......	......	......
100	......	2,000,000	......	......	1st Dec.	q. 1¾	Ogilvie Flour, preferred	130	123	121	Feb.	110	Oct.	....	....	......	......	°114	°115	°114	°115	30

*Ex-div. †Ex-allotment a—Quotations $5 per share. °Less than ten shares.

Inactive Stocks

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent.	Last Dividend Date	Per cent.	STOCK	Range for year 1907 High	Low	Latest price Ask	Bid	Last Sale
						BANKS					
243	4,866,666	......	2,238,666	4th Jan.	3	British North America	155	148¼	149	......	152¾
100	3,000,000	......	2,100,677	1st Jan.	q. 2	Eastern Townships	162½	150	......	......	150
100	2,500,000	......	2,020,477	1st Dec.	q. 2	Hochelaga	159¼	134	......	......	137
30	1,799,910	......	750,000	1st Dec.	q. 1¾	Nationale	120	120	......	......	120
100	709,380	......	1,195,428	1st Jan.	q. 3	New Brunswick	272	270	......	......	272
						LOAN AND TRUST					
50	630,200	1,032,603	283,000	2nd Jan.	s. 3	Agricultural Loan	122	122	......	......	122
100	1,004,000	3,138,798	515,000	2nd Jan.	s. 3½	Canada Landed	125	113½	122	116½	116
10	6,000,000	13,857,807	2,450,000	1st Jan.	s. 3	Canada Permanent	126½	111½	122	......	120⅞
100	1,500,000	4,673,890	1,050,000	1st Jan.	q. 2	Central Canada	165	150	......	160	160
10	100,000	p 2,401,005 d 147,413	119,808	1st Jan.	s. 3	Col. Investment, preferred	80	55	......	64	62½
50	934,617	394,045	107,590	31st Dec.	s. 2	Dominion Savings	71½	70	......	70	70
100	1,100,000	1,671,417	504,080	2nd Jan.	s. 3	Hamilton Provident	124	120	120	......	......
50	1,900,000	5,271,479	1,600,000	2nd Jan.	s. 4½	Huron and Erie	186	174½	......	173	175
100	735,481	547,746	78,720	2nd Jan.	s. 2½	Imperial Loan	70	70	......	......	70
100	700,000	1,005,434	310,000	2nd Jan.	s. 3	Landed Banking	124	122	......	121	124
50	1,000,000	2,243,355	264,310	2nd Jan.	s. 3	London and Canadian Loan	108½	100	100	......	100
50	686,891	518,919	134,000	1st Jan,	s. 3	London Loan and Savings	......	......	......	......	119
25	500,000	......	438,096	15th Sept.	s.	Montreal Loan	136	130¼	......	......	131
					3½ plus ½						
100	1,000,000	......	450,000	2nd Jan.	q. 1¾	National Trust	160	157	150	......	145
50	1,200,000	1,594,326	685,000	2nd Jan.	s. 3¼	Ontario Loan and Debenture	135	130	......	......	128
40	373,720	119,260	82,500	2nd Jan.	s.	Real Estate Loan	87	85	......	......	130½
					2½ plus ½						85
100	1,000,000	......	375,000	2nd Jan.	s. 3¾	Toronto General Trusts	150	140	......	......	145
50	724,550	1,274,108	305,000	2nd Jan.	s. 3	Toronto Mortgage Co	111	105	......	103½	104

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent	Last Dividend Date	Per cent.	STOCK	Range for year 1907 High	Low	Latest price Ask	Bid	Last Sale
100	1,000,000	1,105,536	580,000	1st Jan.	q. 1½	Toronto Savings	......	......	......	......	126
						OTHER COMPANIES					
25	850,000	550,000	......		passed	British America Assurance	......	......	......	......	97
100	1,511,400	1,270,000	......	3½ for 6 mos. Nov. 20, '05		British Columbia Packers, pfd	75	75	......	......	°75
100	2,700,000	b 2,000,000	......	15 Dec.	q. 1	Canadian Col. Cotton	55	50	......	......	50
400	1,000,000	......	44,865	1st Jan.	q. 4	Canada Life Assurance	155	155	......	......	155
100	3,000,000	......	......	Nov	q. 1	Canadian Converters, Limited	62	57	......	......	59¾
100	500,000	......	46,333	1st Jan.	q. 2	Canadian Salt	......	......	......	......	108
12½	733,841	......	......		a	Canada North-West Land	......	......	......	......	435
100	565,000	......	30,000	......		City Dairy	38	35	30	......	33
100	346,350	......	......	2nd Jan.	1¾	City Dairy, preferred	90	80	......	80	°85
100	100,000	......	......	1st Jan.	q. 3¾	Confederation Life Association	......	......	......	......	285
100	4,000,000	......	1,800,000	2nd Jan.	q. 2½	Crows Nest Pass Coal Co	310	°260	......	......	275
50	1,000,000	......	295,460	15th Oct.	q. 1½	Dominion Telegraph	120¼	100	115	......	110
100	1,700,000	2,895,700	......	15th July	s. 2¾	Hamilton Electric Power, pfd.	......	......	......	......	......
100	450,000	......	383,318	1st Jan.	q. 1½	Imperial Life Assurance	150	150	......	......	150
100	500,000	b 344,000	90,474	Sep.	s. 3½	Intercolonial Coal	60	60	......	......	60
100	......	219,700	......	Sep.	s. 3	Intercolonial Coal, preferred	......	......	......	......	100¼
100	1,600,000	b 1,200,000	242,967	5th Nov.	s. 3	Laurentide Paper	93½	80	......	......	100
100	......	1,200,000	......	1st Jan.	q. 1¾	Laurentide Paper, preferred	110	98	......	......	105
100	406,200	b 102,083	90,000	1st Dec.	s. 3	London Electric	......	......	......	......	89¾
40	531,792	b 500,000	......	30th June	s. 3¾	London Street	......	......	......	......	97¼
100	3,000,000	b 1,036,000	......	15th Dec.	q. 1¾	Montreal Cotton	128	103¼	......	......	105
40	2,000,000	......	98,098	15th Oct.	q. 2	Montreal Telegraph	163	130	......	......	140
100	701,700	b 125,000	129,692	2nd Jan.	s. 4	Niagara Navigation	126¼	105	......	105½	105¼
100	925,000	b 819,000	......	18th Oct.	q. 1	Niagara, St. Cath. and Toronto	......	......	......	75	80
100	998,200	500,000	230,564	2nd Jan.	q. 2½	Ottawa Electric Railway	......	......	......	......	......
100	6,500,000	b 4,500,000	100,000	18th Oct.	q. 1	Shawinigan Water and Power Co.	58	45	......	......	60¼
20	1,500,000	1,000,000	......		passed	Western Assurance	......	......	......	......	96

NOTE.—s means semi-annually ; q.—quarterly plus indicates bonus ; b. means bonds. p.—Preferred stock. d.—Debentures. o.—Less than ten shares. a.—$12.50 per share return of capital payable March 15, 1907.

THE BANK OF ENGLAND.

The rate of discount of the Bank of England was reduced from 6 to 5 per cent. A year ago it was also reduced from 6 to 5 per cent. Two years ago it was 4 per cent. The statement of the bank shows the proportion of reserves to liabilities of 52.69 per cent., compared with 48.15 per cent last week, and 45.30 per cent. this week last year. The gain of 4.54 per cent. this week compares with a gain of 12.53 per cent. last week and a gain of 5.33 per cent. a year ago. The statement shows:

		Increase.
Reserve	£25,868,000	£1,594,000
Circulation	28,374,000	*574,000
Bullion	35,791,428	1,020,018
Other securities ..	26,929,000	*835,000
Public deposits ..	4,474,000	*793,000
Other deposits ..	44,547,000	*533,000
Notes reserve ...	24,796,000	1,568,000
Gov't securities .	14,332,000	*2,000,000

*Decrease.

Even had the bank desired to retain a higher rate, it is doubtful if it could be made effective, as the supply of money in Lombard street was so abundant as to be almost for the moment in excess of the requirements.

The discount rate in the open market fell to 4½ per cent. The recent continental purchases of sterling bills indicated the probability that the gold borrowed from France during the American stringency would be allowed to remain here for a time and the bills renewed. This proved a further inducement for the bank to lower its rate.

The London stock exchange already had fully discounted the five per cent. rate and the actual announcement caused only a slight hardening of quotations.

THE SOO LINE.

The strength of the shares is interesting in view of traffic returns. These are most disappointing, compared to the prostration of the road last year. There is only one explanation. There is a natural prostration of traffic this year as compared with the unnatural prostration of traffic last year. It is difficult to say which is the worse dispensation.

TWIN CITY.

The company wisely declared the regular dividend on Thursday without effect on the market position of the stock. The Financial Post pointed out last week the unlikelihood of any increase. The present is no time for dividend increases, especially on traction stocks. The gross earnings for the year, $6,020,541, against $5,592,079. The December gross was $467,662. The net surplus for the year will be about 8.33 per cent. on the common. If the same amount is placed to the account of betterments as last year, there will be about $1,200,000 left for dividends, or a shade under 6 per cent.

THE BOND MARKET

Week Ending January 17, 1908.

BONDS	Rate	1907 High	Low	Closing Asked	Bid	Sales Week Jan. 16 $
Bell Telephone Co.	5	106	100	......	......	......
Can. Colored Cotton Mills Co.	6	98	92¼	......	......	......
Commercial Cable Co.	4	95	89	......	......	......
Dominion Coal Co.	5	100	90	......	......	2,000
Dominion Cotton Mills Co.	6	96	90	92	90	14,000
Dominion Iron & Steel Co.	5	80½	64½	71	70	35,000
Dominion Textile Co., Series A.	6	92½	80	90	82	750
Do. Do. Series B.	6	92	80	90	82	......
Do. Do. Series C.	6	92½	79	90	82	......
Do. Do. Series D.	6	92½	80	90	82	......
Electrical Development Co.	5	84	72	......	......	......
Halifax Electric Tramway Co.	5	103	99¾	......	......	11,000
Havana Electric Railway Co.	5	86	83¾	90	......	......
Intercolonial Coal Co.	5	......	......	......	......	......
Keewatin Flour Mills	6	102	†97	......	......	4,000
Lake of the Woods Milling Co.	6	108	100	......	100	......
Laurentide Paper Co.	6	†110	104	111	......	......
Magdalen Islands	6	94	92½	......	......	......
Mexican Electric Light Co.	5	78½	70½	76	75¼	41,000
Mexican Light & Power Co.	5	84⅛	76⅞	......	......	14,000
Montreal Light, Heat & Power Co.	4½	99¾	90	......	90	8,000
Montreal Street Railway Co.	4½	104½	97	......	97	......
Nova Scotia Steel & Coal Co. 1st Mtg.	6	111¾	106	104	......	22,000
Do. Do. Do. Cons. Mtg.	6	102½	98	......	99½	......
Ogilvie Flour Mills Co.	6	119¾	105	......	......	......
Price Bros. Co.	6	105	100¼	......	......	......
Rio de Janeiro Tramway, L. & P. Co.	5	79	66⅞	75	......	59,500
St. John Railway	5	104	103½	......	......	......
Sao Paulo Tramway L. & P. Co.	5	95	90	91	......	10,000
Winnipeg Elec. Street R'y. Co.	5	105½	99½	......	......	1,000
Montreal City, Stock	7	......	......	......	......	......
Montreal City, Stock	4	100	100	......	......	......

CURB QUOTATIONS.

Week Ending January 17, 1908.

NAME	Stock Issued.	Par.	Acreage.	Week ending Jan. 16 High	Low	Sales	Closing bid Jan. 17
Abitibi & Cobalt Mining Co.	......	1.00	......	......	......	......	......
Beaver Consolidated Mines	1,000,000	1.00	20	......	......	......	......
Buffalo Mines Co.	900,000	1.00	40	......	......	......	......
Cobalt Central Mines Co.	4,750,000	1.00	772	.29	.29	500	......
Cobalt Lake Mining Co.	3,930,866	1.00	......	.11	.11	900	......
Cobalt Silver Queen	1,500,000	1.00	58	.75	.73	350	......
Cleveland Cobalt Silver Mines	1,000,000	1.00	114	......	......	......	......
Coniagas	4,000,000	5.00	40	......	......	......	......
Foster Cobalt Mining Co.	1,000,000	1.00	40	.67	.63	1,700	......
Green-Meehan Mining Co.	1,500,000	1.00	40	.14½	.14½	600	......
Kerr Lake Mining Co.	3,000,000	5.00	52	......	......	......	......
McKinley-Darragh-Savage Mines	2,000,000	1.00	20	......	......	......	......
Nova Scotia Silver Cobalt M. Co.	1,800,000	1.00	......	.24	.24	1,000	......
Peterson Lake	2,500,000	1.00	225	......	......	......	......
Red Rock Silver Mining Co.	1,000,000	1.00	30	.10	.07	700	......
Rothschild Cobalt Co.	500,000	1.00	40	......	......	......	......
Silver Leaf Mining Co.	5,000,000	1.00	40	.9½	.09½	1,100	......
Temiscaming Mining Co.	2,500,000	1.00	210	.92	.85	800	......
Trethewey	945,450	1.00	40	.52½	.52	1,500	.49
University Mines	1,000,000	10.00	56	......	......	......	......

UNLISTED SECURITIES.

NAME	Stock Issued	Bonds and Pref. Stocks	Last Sale	Closing Asked	Bid
Brit. Col. Packers' Ass'n. Com.	1,511,400	$1,270,000	......	......	......
Consolidated Mining & Smelting	4,698,886	......	......	......	......
Consolidated Rubber Bonds	2,805,000	1,980,000	.77	.85	.80
Consolidated Rubber Stock, Pref.		2,600,000b	......	......	......
Canada Cycle & Motor Co.	800,000	......	......	......	......
Dominion Iron & Steel, 2nd Mtg.	20,000,000	2,178,000	......	.82 & int.	.80 & int.
Dominion Park Bonds	400,000	250,000	......	.100	.70
Illinois Traction Com.	5,810,000	3,214,300	......	......	......
Lachine Sinking Fund, 5 p.c. bonds	......	4,000,000	......	......	......
Quebec Railway, L. & P. Co.	2,500,000	2,500,000b	......	.30	.20
Rogers, Wm. A., Com.	750,000	900,999	......	......	......
Rogers, Wm. A., Pref.	900,000	......	......	......	......
Standard Loan Co.	1,125,000	d 600,000	......	......	......
Sun & Hastings Savings & Loan Co.	937,000	d 52,000	......	......	......
Tri-City Railway & Light Co., Com.	9,000,000	2,600,000	......	......	......
Union Bank of Halifax	1,500,000	......	......	......	......
Western Bank of Canada	555,000	......	......	......	......

d Debentures b Bonds